



## **TRANSCORP HOTELS PLC**

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

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## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### Corporate Information

<b>Country of incorporation and Domicile</b>	Nigeria
<b>Directors:</b>	<p>Mr. Emmanuel Nnorom Chairman (Retired 31 December 2025)</p> <p>Dr. (Mrs) V. Awele Elumelu, OFR Non-Executive Director (Appointed 12 December 2025, became Chairman 1 January 2026)</p> <p>Mrs. Uzoamaka Oshogwe Managing Director/Chief Executive Officer (Appointed 1 January 2025)</p> <p>Dr. (Mrs.) Owen Omogiafo, OON Non-Executive Director</p> <p>Mr. Peter Elumelu Non-Executive Director (Retired 12 December 2025)</p> <p>Ms. Bolanle Onagoruwa Independent Non-Executive Director</p> <p>Alhaji Garba Abubakar Independent Non-Executive Director</p> <p>Ms. Adesimbo Ukiri Non-Executive Director</p> <p>Dr. (Mrs.) Oluwatoyin S. Madein Non-Executive Director (Resigned 7 March 2025)</p>
<b>Group Company Secretary:</b>	<p>Ms. Atinuke Kolade</p> <p>38 Glover Road, Ikoyi, Lagos</p>
<b>Registered Office:</b>	<p>1 Aguiyi Ironsi Street, Maitama</p> <p>Federal Capital Territory</p> <p>Abuja, Nigeria.</p>
<b>Holding Company:</b>	Transnational Corporation Plc.
<b>Registration Number:</b>	RC 248514
<b>Tax Identification Number:</b>	04259425-0001
<b>Registrars:</b>	<p>Africa Prudential Plc</p> <p>220B Ikorodu Road</p> <p>Palmgrove, Lagos.</p>
<b>Principal Banker:</b>	<p>United Bank for Africa Plc</p> <p>UBA House</p> <p>57 Marina, Lagos</p> <p>Nigeria.</p>
<b>Auditors:</b>	<p>Deloitte &amp; Touche</p> <p>Chartered Accountants</p> <p>Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue</p> <p>Victoria Island, Lagos</p> <p>Nigeria.</p>
<b>Investors Relations Manager:</b>	<p>Mrs. Oluwatobiloba Ojedian</p> <p>investorrelations@transcorphotelsplc.com</p>
<b>Investors Relations Portal:</b>	<a href="https://www.transcorphotels.com/investor-relations/">https://www.transcorphotels.com/investor-relations/</a>

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### Directors' Report

The Directors are pleased to present their report on the consolidated and separate financial statements of Transcorp Hotels Plc ("the Company") and the Group for the year ended December 31, 2025.

#### 1. Principal Activities

The Group is principally engaged in hospitality operations, providing luxury accommodation, fine dining experiences, fully equipped meeting and conference facilities and world-class leisure amenities.

During the year, the Group commissioned the Transcorp Centre, a state-of-the-art facility with a 5,000-seater capacity, further enhancing its ability to host large-scale conferences, corporate events, and social gatherings. These offerings cater to both business travellers and tourists, reflecting the Group's commitment to excellence in service delivery and operational standards.

#### 2. Review of financial results and activities

Full details of the financial position, results of operations, cash flows, and the notes to the financial statements of the Group and Company are set out on pages 31 - 126 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue	97,038,178	70,134,425	97,036,605	70,122,852
Gross profit	74,403,236	49,719,543	74,401,663	49,707,970
Profit before tax	32,817,634	22,612,634	33,802,653	22,581,681
Tax	(10,965,512)	(7,716,773)	(10,965,512)	(7,716,773)
Profit after tax	21,852,122	14,895,861	22,837,141	14,864,908

#### 3. Directorate

The Directors who served during the year under review are as follows:

Directors	Designation	Changes
Mr. Emmanuel Nnorom	Chairman	Retired 31st December 2025
Mrs. Uzoamaka Oshogwe	Managing Director/Chief Executive Officer	Appointed 1st January 2025
Dr.(Mrs) V. Awele Elumelu, OFR	Non-Executive Director	Appointed 12th December 2025
Dr.(Mrs.) Owen Omogiafo, OON	Non-Executive Director	
Mr. Peter Elumelu	Non-Executive Director	Retired 12th December 2025
Ms. Bolanle Onagoruwa	Independent Non-Executive Director	
Alhaji Garba Abubakar	Independent Non-Executive Director	
Ms. Adesimbo Ukiri	Non-Executive Director	
Dr. (Mrs.) Oluwatoyin S. Madein	Non-Executive Director	Resigned 7th March 2025

## TRANSCORP HOTELS PLC

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For the year ended 31 December 2025

### Directors' Report (cont'd)

#### 4. Directors' interests in shares

The interests of each Director in the issued share capital of the Company as recorded in the Register of Directors' Shareholding as at 31 December 2025 are set out below:

Directors	Position	2025	2024	2025	2024
		Direct	Direct	Indirect	Indirect
Mr. Emmanuel Nnorom*	Chairman	-	-	1,000,000	1,000,000
Mrs. Uzoamaka Oshogwe	Managing Director	15,000	-	-	-
Dr. (Mrs.) Owen Omogiafo, OON**	Non-Executive Director	350,000	350,000	7,800,070,016	7,800,070,016
Mr. Peter Elumelu	Non-Executive Director	93,097	93,097	-	-
Ms. Bolanle Onagoruwa	Independent Non-Executive Director	162,031	162,031	-	-
Alhaji Garba Abubakar	Executive Director	-	-	-	-
Ms. Adesimbo Ukiri	Non-Executive Director	-	-	-	-
Dr.(Mrs) V. Awele Elumelu, OFR	Non-Executive Director	-	-	-	-
Dr. (Mrs.) Oluwatoyin S. Madein***	Non-Executive Director	-	-	1,131,165,000	1,131,165,000
		<u>620,128</u>	<u>605,128</u>	<u>8,932,235,016</u>	<u>8,932,235,016</u>

\*Held indirectly through Vine Foods Limited.

\*\*Held indirectly through Transnational Corporation Plc.

\*\*\*Held indirectly through Ministry of Finance Incorporated (Dr. (Mrs.) Oluwatoyin S. Madein, the board representative of the ministry of finance incorporated up to her resignation on 7th March 2025).

There have been no changes in beneficial interests that occurred between the end of the reporting year and the date of this report.

#### 5. Directors' interests in contracts

None of the Directors notified the Company of any direct or indirect interest in existing or proposed contracts with the Company during the financial year ended 31 December 2025, in compliance with Section 303 of the Companies and Allied Matters Act, 2020.

#### 6. Dividends

The Board of Directors approved and paid an interim dividend of N1,024,252,841.10 or 10 kobo per 50 kobo ordinary share and proposed N12,291,034,093.20 or N1.20 kobo per share as final dividend, bringing the total dividend for 2025 to N13,315,286,934.30 or N1.30 kobo per share (2024: N7,579,471,024.14 or 74 kobo per share) on the outstanding ordinary share of 10,242,528,411 shares of 50 kobo each for the year ended 31 December 2025.

This will be presented at the Annual General Meeting for Shareholders ratification and approval. The dividends are subject to applicable withholding tax rate.

## TRANSCORP HOTELS PLC

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For the year ended 31 December 2025

### Directors' Report (cont'd)

#### 7. Share capital

The issued and fully paid shares of 50 kobo each of the Company as at 31 December 2025 were beneficially held as follows:

Issued	2025	2024	2025	2024
	N	N	Percentage of shares	
Transnational Corporation Plc	7,800,070,016	7,800,070,016	76.16 %	76.16 %
Ministry of Finance Incorporated	1,131,165,000	1,131,165,000	11.04 %	11.04 %
Other Shareholders	1,311,293,395	1,311,293,395	12.80 %	12.80 %
	<b>10,242,528,411</b>	<b>10,242,528,411</b>	<b>100.00%</b>	<b>100.0%</b>

There was no change in the issued share capital during the year under review. The analysis of shareholders as at 31 December 2025 is shown below:

Range	No. of Holders	Percentage %	Holdings	Percentage %
1-999	5,469	74.48%	794,710	0.01%
1000- 9,999	1,381	18.81%	3,301,453	0.03%
10,000 - 99,999	402	5.47%	9,295,411	0.09%
100,000 - 999,999	72	0.98%	14,627,955	0.14%
1,000,000 - 9,999,999	10	0.14%	26,622,278	0.26%
10,000,000 - 99,999,999	2	0.03%	20,761,513	0.20%
100,000,000 - 999,999,999	5	0.07%	1,235,890,075	12.07%
Above 1,000,000,000	2	0.03%	8,931,235,016	87.22%
<b>Total</b>	<b>7,343</b>	<b>100.00%</b>	<b>10,242,528,411</b>	<b>100.00%</b>

#### Shareholder Structure as at 31 December 2025

Holder Type	Holder count	Holdings	Percentage %
Corporate	173	9,087,455,055	88.72%
Foreign	36	465,273	0.00%
Government	6	1,131,165,503	11.04%
Individual	7,084	23,418,025	0.23%
Joint	44	24,555	0.00%
<b>Total</b>	<b>7,343</b>	<b>10,242,528,411</b>	<b>100.00%</b>

## TRANSCORP HOTELS PLC

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### Directors' Report (cont'd)

#### 7. Share capital (cont'd)

##### Share Capital History

The following changes have taken place in the Company's share capital since inception.

Dates	Authorised	Cumulative	Issued & Fully Paid-up		Consideration
	Increase/ (Decrease)		Increase	Cumulative	
12/07/1994	10,000,000	10,000,000	5,000,000	5,000,000	Cash
13/01/2014	20,000,000	30,000,000	16,000,000	21,000,000	Cash
13/03/2014	7,470,000,000	7,500,000,000	3,570,000,000	3,591,000,000	Bonus issue
13/03/2014	7,500,000,000	15,000,000,000	3,591,000,000	7,182,000,000	Stock split
11/11/2014	-	15,000,000,000	418,403,900	7,600,403,900	Cash
17/12/2020	-	15,000,000,000	2,642,124,511	10,242,528,411	Right issue
					Shares
31/12/2022	(4,757,471,589)	10,242,528,411	-	10,242,528,411	cancellation

#### 8. Substantial Interest in Shares

According to the register of members as at 31 December 2025, the following had more than 5% shareholding in the Company:

	2025	2024	2025	2024
	Holdings	Holdings	%	%
Transnational Corporation Plc	7,800,070,016	7,800,070,016	76.16	76.16
Ministry of Finance Incorporated	1,131,165,000	1,131,165,000	11.04	11.04

#### 9. Property, plant and equipment

Information relating to movement in property, plant & equipment is shown in Note 19 to the consolidated and separate financial statements. In the opinion of the Directors, the market values of the Group and Company's properties are not less than the carrying amount shown in these financial statements.

#### 10. Employment and Employees

Equality of opportunity, diversity and inclusion remain core to the identity of Transcorp Hotels Plc.

##### a) Employment of Physically Challenged Persons

The Group has a policy of fair consideration of job applications by physically challenged persons, considering their abilities and aptitude. Discrimination against physically challenged individuals in recruitment, training, and career development is strictly prohibited. Where an employee becomes physically challenged in the course of employment, every effort is made to ensure their continued employment within the Group, together with the provision of appropriate training to support their role. As of December 31, 2025, the Group employed two (2) physically challenged persons.

##### b) Health, Safety and Environment

The Group maintains business premises and a work environment that prioritize the safety and health of employees and other stakeholders. Policies and practices in this regard are regularly reviewed and tested. The Group also provides medical insurance for its employees and their families through selected health management organizations and accredited hospitals.

## TRANSCORP HOTELS PLC

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### Directors' Report (cont'd)

#### 10. Employment and Employees (cont'd)

##### c) Employees Development, Training and Engagement

The Group places a high premium on the development of its manpower and maintains continuous consultations with employees on matters affecting their wellbeing. In the year 2025, formal classroom, onsite and offsite trainings, as well as online learning programmes were deployed in training and re-training employees across various levels. The Group's skills-base has been strengthened through a broad range of capacity building initiatives, thereby enhancing employees' opportunities for career advancement within the Group.

Employees are kept fully informed of the Group's performance, and the Group operates an open-door policy whereby the views and suggestions of employees are sought and given due consideration on matters which affect them. Employees are also involved in the affairs of the Group through the service charge scheme, which entitles them to a percentage of the hotel's service charge revenue.

#### 11. Donations

No donation was made to any political party during the year.

The value of gifts and donations made by the Group during the year are analysed as follows:

<b>Recipient</b>	<b>Nature of items donated</b>	<b>2025</b>	<b>2024</b>
Daughters of Charity	Monthly Foodstuff	10,690,953	11,162,953
Ace Charity	Business Empowerment Programme for Women (BEPW) Cycle 15 Start-up. Sewing materials	537,500	2,727,100
School of the Blind, Jabi	Braille Typewriter Machine, Typing Sheets, Mobility Canes, Slate & Stylus Sets, Braille Paper Sheets, Trees and Flowers.	1,458,000	1,525,000
Amazing Grace Foundation			
Old People's Home	Foodstuffs	882,825	-
School for Special Needs Kuje	Donation of food to special children for a runway initiative	2,220,000	-
Kuchingoro Community Primary School	Donation of Recycling Cage	180,000	-
Kuchingoro Old People's Home	Donation of Linens, Pillow cases, Duvet covers, Towels and Recycled soaps to the local women.	-	520,000
		<b>15,969,278</b>	<b>15,935,053</b>

#### 12. Securities Trading Policy

The Group's Code of Conduct and Securities Trading Policy prohibit employees and Directors from engaging in insider trading, improper dealings and stock tipping during closed periods. Notifications of closed periods are promptly communicated to the Capital Market, the Board, Statutory Audit Committee members and Management.

## TRANSCORP HOTELS PLC

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### Directors' Report (cont'd)

#### 13. Complaint Management Procedure

In compliance with the Securities and Exchange Commission (SEC) Rules, the Company has established a dedicated process and feedback mechanism for the management and resolution of shareholders' complaints. This procedure is also accessible on the Company's website.

#### 14. Risk Management Policy and Practices

The Group operates an Enterprise Risk Management Framework that outlines the governance structure, processes, and policy requirements for the consistent and effective management of risk. This Framework was developed to institutionalize risk ownership and risk management practices across Transcorp Hotels Plc.

It addresses key principles including Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite, and Risk Oversight, as well as processes including risk identification, analysis, management, monitoring, reporting, and communication. The Board sets the tone and determines the risk appetite for each business and the risks identified. Management conducts a quarterly risk assessment to evaluate these risks.

The Finance and Investment Committee (FIC) oversees risk management, with a Risk Report presented quarterly at each FIC meeting. Key risks identified are escalated to the Board, along with recommendations from the FIC.

The Group's risk management systems and practices are effective and efficient.

#### 15. Fines and Penalties

No amount was paid as fines or penalties during the year (2024: Nil)

#### 16. The Nature of Any Related Party Relationships and Transaction

The following table provides the total value of transactions that have been entered into with related parties for the relevant financial year.

Amount due to related parties	Group		Company	
	2025 N '000	2024 N '000	2025 N '000	2024 N '000
Transnational Corporation Plc	149,731	168,120	132,928	151,317
Transcorp Power Plc	5,574,614	8,472,617	5,574,614	8,472,617
	<b>5,724,345</b>	<b>8,640,737</b>	<b>5,707,542</b>	<b>8,623,934</b>
<b>Amount due from related parties</b>				
Transnational Corporation Plc	859,472	-	859,472	-
Aura by Transcorp Hotels Limited	-	-	523,329	512,482
Transafam Power Limited	3,160,645	2,799,817	3,160,645	2,799,817
	<b>4,020,117</b>	<b>2,799,817</b>	<b>4,543,446</b>	<b>3,312,299</b>
Allowance for expected credit loss	(4,898)	(41,107)	(528,226)	(553,589)
<b>Balance</b>	<b>4,015,219</b>	<b>2,758,710</b>	<b>4,015,220</b>	<b>2,758,710</b>

**TRANSCORP HOTELS PLC**

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**Directors' Report (cont'd)**

**16. The Nature of Any Related Party Relationships and Transaction (cont'd)**

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest-free, and settlement occurs in cash. No guarantees were provided nor received for any related party receivables or payables.

**Related party borrowings:**

Included in the amount due to Transcorp Power Plc is a N5.6bn (2024:N8.5bn) loan balance at an average interest rate of 22%.

Likewise, included in the amount due from Transnational Corporation Plc and Transafam Power Limited is a loan balance of N859mn (2024:Nil) and N3.2bn (2024:N2.8bn) respectively at an average interest rate of 22%.

**17. Other Terms**

The Company updated the terms of its Technical and Management Services Agreement with Transnational Corporation Plc, revising the annual management fee from the higher of ₦350 million or 5% of profit before tax to 5% of revenue, effective January 1, 2025, to bring it in alignment with current business realities.

**18. Events After the Reporting Date**

There are no significant subsequent events which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2025 that have not been adequately provided for or disclosed in these financial statements.

**19. Terms of Re-appointment of the Auditors**

The firm, Deloitte & Touche, has served for a period of six years as the Independent Auditor. In accordance with section 401 (2) of the Companies and Allied Matters Act 2020, Deloitte & Touche have indicated their willingness to continue after their sixth year as Independent Auditor of the company. The Directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

**Signed on behalf of the Board of Directors By:**



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**Atinuke Kolade**  
**FRC/2019/PRO/NBA/002/00000019306**  
**Group Company Secretary**  
**29 January 2026**

## **TRANSCORP HOTELS PLC**

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### **Corporate Governance Report**

Transcorp Hotels Plc (“the Company”) remains committed to the highest standards of corporate governance, recognizing that sustainability is achievable only through sound governance practices. Our commitment goes beyond creating and delivering of long-term value to our stakeholders; it reflects a deliberate focus on sustainable growth and value creation anchored on our core values.

#### **1 Overview**

During the year ended 31 December 2025, the Company complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN) and the Securities & Exchange Commission (SEC), along with its Audit Regulation, SEC Rules, Regulations and Guidelines, as well as other applicable corporate governance laws.

The Board comprised of seven (7) Directors, including two (2) Independent Non-Executive Directors whose memberships and contributions ensured thought diversity and objectivity, thereby strengthening Board oversight and strategic direction. The Board’s effectiveness was further reinforced through its structured Committees, namely: the Finance & Investment Committee and the Board Audit & Governance Committee. The Committees provided robust support in driving sound governance practices and accountability.

In addition, the Company continued to strengthen its corporate governance framework by developing and updating key policies aimed at preserving and enhancing ethical culture and conduct, performance, governance, sustainability, and brand equity. Highlights of some of the policies are as follows:

#### **Human Resources Policy**

The Human Resources Policy provides a structured framework for attracting, developing, and retaining talent while ensuring equity, meritocracy, and compliance with applicable labour laws. It reinforces the Company’s commitment to a performance-driven culture and employee well-being.

#### **Information Technology and Procedures Manual**

The Human Resources Policy provides a structured framework for attracting, developing, and retaining talent while ensuring equity, meritocracy, and compliance with applicable labour laws. It reinforces the Company’s commitment to a performance-driven culture and employee well-being. This Policy establishes clear guidelines for the secure and efficient use of the Company’s IT infrastructure. It ensures data integrity, cybersecurity, and business continuity, supporting operational efficiency and digital transformation.

#### **Non-Audit Services Policy**

The Non-Audit Services Policy safeguards auditor independence by defining the scope of permissible non-audit engagements and ensuring all such services are pre-approved by the Board Audit & Governance Committee in line with regulatory requirements.

#### **Board Succession Policy**

This Policy ensures continuity and stability of Board leadership by providing a structured framework for identifying, developing, and appointing competent individuals to the Board, aligned with the Company’s strategic direction and diversity objectives.

#### **Whistle Blowing Policy**

The Whistle Blowing Policy promotes transparency and accountability by providing a confidential and secure channel for employees and stakeholders to report unethical practices or violations without fear of retaliation.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

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### **Corporate Governance Report (cont'd)**

#### **1 Overview (cont'd)**

##### **Crisis Management Policy**

This Policy outlines the framework for effectively managing emergencies and business disruptions. It ensures prompt response, clear communication, and operational resilience during crises to protect stakeholders and assets.

##### **Document Management Policy**

This Policy governs the creation, classification, retention, and disposal of Company documents, ensuring information integrity, accessibility, and compliance with legal and regulatory requirements.

##### **Data Governance Policy**

The Data Governance Policy establishes controls for the management, protection, and ethical use of data assets. It promotes data quality, privacy, and compliance with applicable data protection laws.

##### **Internal Audit Charter**

The Internal Audit Charter defines the purpose, authority, and responsibility of the Internal Audit function, reinforcing its independence and role in providing assurance on governance, risk management, and internal controls.

##### **Board Induction Policy**

This Policy ensures that new Directors are effectively onboarded through a structured induction process that enhances understanding of the Company's operations, strategy, and governance framework.

##### **Delegation of Authority and Empowerment Grid**

The Delegation of Authority and Empowerment Grid delineate approval limits and decision-making authority across the organisation, promoting operational efficiency, accountability, and control.

##### **Stakeholders Management and Communications Policy**

This Policy provides a structured approach to stakeholder engagement and communication, ensuring transparency, trust, and alignment between the Company and its key internal and external stakeholders.

##### **Accounting Policy and Procedure Manual**

This Policy establishes the accounting principles, procedures, and internal controls governing the Company's financial reporting and transactions, ensuring consistency, accuracy, and compliance with applicable accounting standards and regulatory requirements.

## **TRANSCORP HOTELS PLC**

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### **Corporate Governance Report (cont'd)**

#### **2 Board of Directors**

##### **2.1 General**

In the financial year 2025, the Board was comprised of seven (7) members made up of one (1) Executive Director (the Managing Director / CEO) and six (6) Non-Executive Directors, including two (2) Independent Non-Executive Directors.

The Board provided effective oversight and strategic guidance, ensuring that Management acted in the best interest of the stakeholders, particularly shareholders, while safeguarding and enhancing the Company's value and brand reputation. During the financial year, the Board met five (5) times during the year under review. The Chairman of the Board of Directors presided over all the meetings, providing leadership and direction to both the Board and the Company.

The details of individual Directors' attendance at Board meetings are disclosed on page 10 of the Financial Statements. The Board also maintained a clear framework of accountability through its Empowerment Policy, which delineates Management's authority limit and delegates specific powers for the effective execution of the day-to-day operations.

Comprising distinguished and accomplished individuals with diverse professional backgrounds spanning both the private and public sectors, the Board continues to ensure sound oversight, robust governance, and strategic alignment with the Company's long-term objectives.

##### **2.2 Board Appointment**

The Company's Board Governance Charter outlines the framework guiding Board appointments. Directors are appointed based on recommendations from the Board Audit and Governance Committee, in accordance with the provisions of the Board and Board Committees' Governance Charter. The selection criteria emphasize candidates of high integrity and good reputation, with proven leadership, shareholder orientation, absence of conflict of interest and a demonstrated commitment to the Company's long-term success.

##### **2.3 Induction and Training**

The Company operates a structured induction programme for newly appointed Directors, as provided in the Board Induction Policy. This programme acquaints new Directors with the Company's business operations, governance framework, key officers, subsidiaries, facilities, and internal processes. Directors also undergo training sessions, as may be necessary, to enhance their knowledge, strengthen oversight capacity, and promote effective Board performance.

##### **2.4 Separation of the position of Chairman and Managing Director Roles**

In alignment with best corporate governance practices, the roles of the Chairman of the Board and the Managing Director/CEO are distinct and occupied by separate individuals. This structure ensures a clear division of responsibilities, promotes effective checks and balances and reinforces the independence of the Board.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

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### Corporate Governance Report (cont'd)

#### 2.5 Membership and Changes in Board Composition

As at year ended December 31, 2025, the Board comprised one (1) Executive Director and six (6) Non-Executive Directors, including two (2) Independent Non-Executive Directors.

The Board Composition is as detailed below:

SN	Director	Designation	Appointment / Resignation Date	Date re-appointed/ re-elected	Tenure of service
1	Mr. Emmanuel Nnorom*	Chairman	Appointed: January 13 2014 Retired: December 31, 2025	March 2017, April 28 2020, April 3,2023, April 3, 2025	12 years
2	Mrs. Uzoamaka Oshogwe	MD/CEO	Appointed: January 1, 2025	N/A	1 year
3	Dr.(Mrs) V. Awele Elumelu, OFR**	Non-Executive Director	Appointed December 12, 2025	N/A	1 month
4	Dr. (Mrs). Owen Omogiafo , OON	BAGC Chairman Non-Executive Director	Appointed: January 1 2019	April 4, 2022 April 29,2024	7 years
5	Mr. Peter Elumelu***	FIC Chairman Non-Executive Director	Appointed: November 1, 2014 Retired: December 12, 2025	March 2017, April 2020, April 3 2023, April 3, 2025	11 years
6	Ms. Bolanle Onagoruwa	Independent Non-Executive Director	Appointed: December 17, 2021	April 29,2024	4 years
7	Ms. Adesimbo Ukiri	Non- Executive Director	Appointed: October 30, 2023	N/A	2 years
8	Alhaji Garba Abubakar	Independent Non-Executive Director	Appointed: October 30, 2023	N/A	2 years
9	Dr. Oluwatoyin Madein****	Non-Executive Director	Appointed: March 5, 2024 Resigned: March 7, 2025	N/A	1 year

\*Mr. Emmanuel Nnorom retired as Non-Executive Director on December 31,2025.

\*\*Dr.(Mrs) Awele Elumelu, OFR was appointed as Non-Executive Director on December 12,2025.

\*\*\*Mr. Peter Elumelu retired as a Non-Executive Director on December 12, 2025

\*\*\*\*Dr (Mrs) Oluwatoyin Maidein resigned as a Non-Executive Director on March 7, 2025.

The Directors retiring by rotation and offering themselves for re-election are Alhaji Garba Abubakar and Ms. Adesimbo Ukiri.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### Corporate Governance Report (cont'd)

#### 2.6 Board Meeting Attendance

The Board met five (5) times in 2025. The table below shows the frequency of meetings of the Board, and members' attendance:

SN	Director	Total Attendance	24-Feb	09-May	24-Jul	21-Oct	12-Dec
1	Mr. Emmanuel Nnorom*	5	√	√	√	√	√
2	Mrs. Uzoamaka Oshogwe	5	√	√	√	√	√
3	Dr. (Mrs) Awele Elumelu, OFR**	1	N/A	N/A	N/A	N/A	√
4	Dr. (Mrs) Owen Omogiafo, OON	5	√	√	√	√	√
5	Mr. Peter Elumelu***	5	√	√	√	√	√
6	Ms. Bolanle Onagoruwa	5	√	√	√	√	√
7	Ms. Adesimbo Ukiri	5	√	√	√	√	√
8	Alhaji Garba Abubakar	5	√	√	√	√	√
9	Dr.(Mrs) Oluwatoyin Madein****	1	√	N/A	N/A	N/A	N/A

#### Key

√ = Director was present for the meeting

X= Director was absent with an apology

N/A = Not Applicable. Director had resigned from/yet to be appointed to the Board.

\*Mr. Emmanuel Nnorom retired as Non-Executive Director on December 31,2025.

\*\*Dr. (Mrs) Awele Elumelu, OFR was appointed as Non-Executive Director on December 12, 2025.

\*\*\*Mr. Peter Elumelu retired as a Non-Executive Director on December 12, 2025

\*\*\*\*Dr (Mrs) Oluwatoyin Maidein resigned as a Non-Executive Director on March 7, 2025.

In line with the provisions of the Board Governance Charter, the Company maintains two standing Committees of the Board, namely, the Board Audit & Governance Committee (BAGC) and the Finance & Investment Committee (FIC). These Committees support the Board in discharging its oversight responsibilities, ensuring effective governance, risk management and performance monitoring. Brief descriptions of the Committees are as follows;

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

**Corporate Governance Report (cont'd)**

**2.6 Board Meeting Attendance (cont'd)**

**(a) Board Audit & Governance Committee**

During the year, the BAGC effectively discharged its oversight responsibilities in accordance with its Charter, providing strategic direction and making recommendations to the Board on key governance, compliance and people matters, including;

- i. Establishing formal procedures for the nomination and appointment of Directors.
- ii. Advising the Board on its composition, structure and overall effectiveness.
- iii. Approving the recruitment, promotion, redeployment, and disengagements of the Company’s heads of departments that make up the Executive Management Committee members.
- iv. Assessing the skills, competencies, and capacity of the Board to ensure alignment with the Company’s strategic objectives.
- v. Recommending remuneration structures for employees and Directors in line with market best practices.
- vi. Providing guidance on corporate governance standards, policy formulation and regulatory compliance.
- vii. Reviewing and approving human resources and governance-related policies.
- viii. Reviewing and approving human resources and governance policies within the Company
- ix. Evaluating and recommending amendments to the Memorandum and Articles of association for Board and Shareholder approval.
- x. Evaluating and appraising the performance of the Board, its committees and individual Directors annually in collaboration with external consultants.
- xi. Monitoring and assessing the qualifications, independence and performance of both external and internal auditors as well as the financial control functions.
- xii. Performing any other responsibilities delegated by the Board, including those related to audit, risk management and regulatory compliance.

In fulfilment of its reporting obligations, the Committee submitted quarterly reports to the Board, outlining key deliberations, decisions and recommendations, thereby reinforcing transparency and accountability in governance practices.

The BAGC members at the year ended December 31, 2025:

S/N	Director	Designation
1	Dr. (Mrs). Owen Omogiafo, OON	Chairman
2	Mr. Peter Elumelu*	Member
3	Ms. Bolanle Onagoruwa	Member
4	Alhaji Garba Abubakar	Member
5	Dr.(Mrs) Oluwatoyin Madein**	Member

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

\*\*Dr. Oluwatoyin Madein resigned as Non-Executive Director on March 7, 2025.

The BAGC met five (5) times in the year under review. The table below shows the meeting dates and members’ attendance in 2025:

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For the year ended 31 December 2025

**Corporate Governance Report (cont'd)**

**2.6 Board Meeting Attendance (cont'd)**

**(a) Board Audit & Governance Committee (cont'd)**

SN	Director	Total Attendance	07-Feb	23-Apr	21-Jul	09-Oct	11-Dec
1	Dr. (Mrs). Owen Omogiafo, OON	5	√	√	√	√	√
2	Mr. Peter Elumelu*	4	√	√	X	√	√
3	Ms. Bolanle Onagoruwa	5	√	√	√	√	√
4	Alhaji Garba Abubakar	5	√	√	√	√	√
5	Dr.(Mrs) Oluwatoyin Madein**	1	√	N/A	N/A	N/A	N/A

**Key**

√ = Director was present for the meeting

X= Director was absent with an apology

N/A = Not Applicable. . Director had resigned from the Board.

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

\*\*Dr. Oluwatoyin Madein resigned from the Board on March 7, 2025

The Internal Audit Manager attended all the BAGC Meetings and presented the Internal Audit Report at each meeting, in line with the recommendations of the FRC Code.

**(b) Finance and Investment Committee**

The Finance & Investment Committee (FIC) supports the Board in fulfilling its oversight responsibilities on financial strategy, capital allocation, risk management, and investment decisions. The Committee’s key functions include:

- i. Providing strategic guidance on financial planning, budgeting and capital allocation.
- ii. Overseeing the financial performance and overall fiscal performance of the Company.
- iii. Evaluating and recommending investment opportunities and strategic initiatives to the Board for decision.
- iv. Approving financial and investment decisions within its delegated authority.
- v. Assisting the Board in discharging its oversight responsibilities regarding IT Governance control.
- vi. Ensuring the adequacy and effectiveness of financial management and internal control systems.
- vii. Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.

During the year, the Committee reviewed and provided robust oversight recommendations on key financial matters, including the Company’s approach to securing credit facilities, dividend proposals, quarterly financial statements, tax-related matters, funding requirements across business operations, budget approvals, earnings forecasts, risk management reports, and progress on significant investments.

The Committee made key decisions within its mandate and submitted recommendations to the Board for approval at the quarterly Board meetings.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
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**Corporate Governance Report (cont'd)**

**2.6 Board Meeting Attendance (cont'd)**

**(b) Finance and Investment Committee (cont'd)**

Finance and Investment Committee members as at December 31, 2025 are:

S/N	Director	Designation
1	Mr. Peter Elumelu*	Chairman
2	Mrs. Uzoamaka Oshogwe	Member
3	Dr. (Mrs). Owen Omogiafo, OON	Member
4	Ms. Adesimbo Ukiri	Member

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

The FIC met four (4) times during the year under review. The table below shows the meeting dates and members attendance in 2025:

SN	Director	Total Attendance	11-Feb	22-Apr	10-Jul	10-Oct
1	Mr. Peter Elumelu*	4	√	√	√	√
2	Mrs. Uzoamaka Oshogwe	4	√	√	√	√
3	Dr. (Mrs). Owen Omogiafo, OON	4	√	√	√	√
4	Ms. Adesimbo Ukiri	4	√	√	√	√

**Key**

√ = Director was present for the meeting

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

The Chief Finance Officer attended all the FIC Meetings and presented the Finance Report at each meeting.

The Internal Audit manager was present at the FIC meetings during the presentation of Risk Management Reports by the Chief Finance Officer.

**(c) The Statutory Audit Committee**

The Company’s Statutory Audit Committee (SAC) oversees the Company’s financial reporting, audit process, internal controls, and risk management to ensure compliance with statutory regulatory and professional standards.

The Committee also evaluates the performance of the Company’s external auditors to ensure their effectiveness and independence. The Committee is chaired by a Shareholder and comprises two additional Shareholders and two Directors as members. In addition to the powers conferred on the SAC by CAMA, the Committee is further empowered to engage the services of independent consultants to support the discharge of its duties enhancing the robustness of its oversight functions.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### Corporate Governance Report (cont'd)

#### 2.6 Board Meeting Attendance (cont'd)

##### (c) The Statutory Audit Committee (cont'd)

Statutory Audit Committee members as at year ended December 31, 2025, are as follows:

S/N	Director	Designation
1	Mr. Akaninyene Obot	Chairman
2	Mr. Peter Elumelu*	Member
3	Ms. Bolanle Onagoruwa	Member
4	Mr. Eric Akinduro	Member
5	Mr. Erinfolami Gafar	Member

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

The SAC met four (4) times in the year under review. The table below shows the meeting dates and members' attendance in 2025:

SN	Director	Total Attendance	17-Feb	09-May	23-Jul	17-Nov
1	Mr. Akaninyene Obot	4	√	√	√	√
2	Mr. Peter Elumelu*	4	√	√	√	√
3	Ms. Bolanle Onagoruwa	4	√	√	√	√
4	Mr. Eric Akinduro	4	√	√	√	√
5	Mr. Erinfolami Gafar	4	√	√	√	√

#### Key

√ = Director was present for the meeting

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

##### (d) Executive Management Committee

The Company's Executive Management Committee (EMC) is responsible for driving the effective and efficient management of the Company's operations in alignment with the strategic direction approved by the Board. The Committee ensures that business objectives are achieved through sound decision-making, effective resource allocation and coordinated execution.

The key functions of the EMC include:

- i. Defining the Company's strategic direction and recommending it to the Board for approval.
- ii. Evaluating strategic matters and their impact on the Company's investment portfolio.
- iii. Identifying potential investment sectors, new business areas opportunities, and geographic expansions, and making recommendations to the Board.
- iv. Proposing the investment framework or policy to the Board and overseeing the implementation of approved investment procedures.
- v. Translating Board approved strategies into actionable policies, objectives and execution plans.
- vi. Recommending structures and systems to the Board to ensure effective coordination and alignment of business activities with strategic goals.
- vii. Preparing the Company's annual financial plans for Board approval and ensuring the achievement of set objectives.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### **Corporate Governance Report (cont'd)**

#### **2.8 Board Evaluation**

As part of its commitment to continuous improvement, the Company conducted a comprehensive Board evaluation in 2025 to assess the effectiveness of the Board and its Committees and individual Directors.

#### **3 Internal Control / Audit Committees**

The Board, Management and staff of the Company collectively take responsibility for safeguarding the Company against fraud and other irregularities. However, the Internal Audit function has primary responsibility for ensuring and promoting compliance with statutory and regulatory requirements, as well as with internal policies approved by the Board.

The primary functions of Internal Audit include reviewing transactions entered into by the Company to ensure accuracy, completeness, compliance and accuracy. Internal Audit also provides assurance to the Board and Management that the internal control process is in place and adequate.

The Internal Audit Manager operates independently of day-to-day Management activities and reports functionally to the Audit Committee, thereby ensuring objectivity and effectiveness in the discharge of her duties.

#### **4 Relationship with Shareholders**

The Company maintains continuous and transparent engagement with its shareholders throughout the year to foster understanding of its business operations, financial performance and strategic direction. The Company does this through the Annual Report, financial statements, market updates, regulatory disclosures, media statements and investor relations conferences and calls. In addition, the Company's website provides information on a wide range of matters for all stakeholders and provides a complaints management procedure and whistleblowing process with anonymous feedback options.

#### **5 Investor Relations**

The Company's Investor Relations Unit under the Finance Department facilitates regular engagements with all stakeholders on the performance of the Company through investor conferences and performance briefings. The Company also ensures timely communication with regulators and the capital markets by filing periodic returns and market announcements, which are publicly accessible to investors and the general market via the Nigerian Exchange portal.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### **Corporate Governance Report (cont'd)**

#### **6 Directors' Remuneration Policy**

The remuneration policy of the Company, as embedded in the Board Charter, is structured to suit the environment in which the Company operates and the results it achieves at the end of each financial year. It is reviewed when necessary to meet economic realities and includes the following:

##### **6.1 Non-Executive Directors**

###### **a. Annual Fees & Allowances**

During the financial year 2025, Non-Executive Directors earned N50,000,000.00 as fees, while the Chairman earned N75,000,000.00 inclusive of all taxes and payable bi-annually.

###### **b. Board Meetings**

During the 2025 financial year, Non-Executive Directors received N350,000.00 sitting allowances per meeting while the Chairman received N500,000.00. Transportation costs and hotel expenses were reimbursed where applicable.

###### **c. Board Committee Meetings**

During the 2025 financial year, Non- Executive Directors earned N300,000.00 sitting allowances per meeting, while the Chairman earned N350,000.00 sitting allowance per meeting. Transportation costs and hotel expenses were reimbursed where applicable.

##### **6.2 Executive Directors**

The remuneration policy for Executive Directors includes the following:

a. Fixed remuneration: Considering the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent status within the industry both within and outside Nigeria.

b. Variable annual remuneration linked to performance: The amount of this remuneration is subject to achieving specific, quantifiable and measurable KPIs set and appraised annually by the Board.

#### **7 Annual Corporate Governance Evaluation**

The firm of Angela Aneke & Co. Limited conducted the Board and Corporate Governance evaluation for the year ended December 31, 2025, in compliance with the Nigerian Code of Corporate Governance 2018, global best practices, and the Company's corporate governance framework.

The statements by the external consultant on the Board and Corporate Governance evaluation are contained in the Annual Report, and covers the summary of Board, Committees, individual Directors and overall governance evaluation.

#### **8 Human Resource Policies and Internal Management Structure**

The Human Resource Policy provides for benefits available to eligible employees in the Company. The Company has also put in place internal control system to ensure that its practices comply with regulations.

#### **10 Gender Diversity on the Board and Employment**

The Company maintains gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The Board is 57% female and the ratio of women to men in staff employment is 6:4

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### **Corporate Governance Report (cont'd)**

#### **11 Independent Auditor**

The firm of Deloitte & Touche has served for a period of six years as the Company's independent Auditor. In accordance with section 401(2) of the Companies and Allied Matters Act 2020, Deloitte & Touche has indicated its willingness to continue after its sixth year as the independent Auditor of the Company. The Directors shall seek members' authorisation at the Annual General Meeting to fix its remuneration.

#### **12 Summary of Risk Management Framework**

This is contained in the risk management disclosures on Note 6 of the financial statement.

#### **13 Fines & Penalties**

The company did not pay any fine or penalty during the year under review.

#### **14 Statement of Compliance**

The Company carried out its Corporate Governance practices in line with the Nigerian Code of Corporate Governance 2018.

#### **15 Complaints Management Policy**

The Company has in place a Complaints Policy to handle and resolve complaints. A copy is annexed to the Annual Report and is also available on the Company's website

#### **16 Code of Conduct & Business Ethics**

The Code of Conduct & Business Ethics provides general guidance and complements other policies and procedures of the Company regarding ethics and acceptable conduct in the organization. The Code clearly defines parameters of acceptable principles and standards in which Directors and employees are expected to conduct themselves in undertaking the business of the Company.

#### **17 Communications Policy**

The Communications Policy governs how information is communicated within Transcorp Hotels Plc, and how the Company's representatives may communicate with outside parties. The Policy defines who "outside parties" are and applies to all Transcorp Hotels Plc's employees, Directors, officers, consultants and contractors.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### Statement of Directors' Responsibilities For the preparation and approval of the financial statements

The Directors of Transcorp Hotels Plc. accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Company and Group as at 31 December 2025, and the results of its operations, cash flows, and changes in equity for the Year ended, in compliance with the IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the financial statements, the Directors are responsible for:

- a) properly selecting and applying accounting policies
- b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) providing additional disclosures when compliance with the specific requirements in the IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and Group's financial position and financial performance.

### Going Concern

The Directors have made an assessment of the Company and Group's ability to continue as a going concern and have no reason to believe the Company and Group will not remain a going concern in the year ahead.

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**Dr. (Mrs.) V. Awele Elumelu, OFR**  
**Chairman**  
**FRC/2013/PRO/DIR/003/00000004705**

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**Mrs. Uzoamaka Oshogwe**  
**Managing Director/ CEO**  
**FRC/2013/PRO/DIR/003/00000004689**

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Finance Officer certify that the financial statements have been reviewed and based on our knowledge, the;

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company and Group as of and for, the year covered by the audited financial statements;

We state that Management and Directors:

- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company (and its subsidiaries) is made known to the officer by other officers of the Company and Group, particularly during the year in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Company and Group's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that the Company and Group's internal controls are effective as of that date;

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company and Group's ability to record, process, summarise and report financial data, and have identified for the Group's auditors any material weaknesses in internal controls; and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company and Group's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company and Group for the year ended 31 December 2025 were approved by the Directors on 29th January 2026.



**Mrs. Oluwatobiloba Ojediran**  
Chief Finance Officer  
FRC/2020/PRO/ICAN/001/00000020314



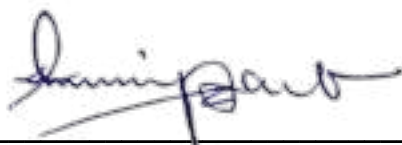
**Mrs. Uzoamaka Oshogwe**  
Managing Director/ CEO  
FRC/2013/PRO/DIR/003/00000004689

## Report of the Statutory Audit Committee for the Year ended 31 December 2025

### To the Members of Transcorp Hotels Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we, the members of the Statutory Audit Committee of Transcorp Hotels Plc ("the Company"), hereby report that:

- (a) The accounting and reporting policies of the Company for the year ended 31 December 2025 are consistent with legal requirements and ethical practices;
- (b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems;
- (c) The scope and planning of the statutory independent audit for the year ended 31 December 2025 are satisfactory; and
- (d) We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transcorp Hotels Plc.



**Mr. Akaninyene Obot, FCA**

Chairman, Audit Committee

FRC No. FRC/2013/PRO/ICAN/009/00000004721

Dated 28th day of January 2026

### Members of the Statutory Audit Committee

- |                          |   |          |
|--------------------------|---|----------|
| 1. Mr. Akaninyene Obot   | - | Chairman |
| 2. Mr. Eric Akinduro     | - | Member   |
| 3. Mr. Erinfolami Gafar  | - | Member   |
| 4. Mr. Peter Elumelu     | - | Member   |
| 5. Ms. Bolanle Onagoruwa | - | Member   |

\*Mr. Peter Elumelu retired as Non-Executive Director on December 12, 2025.

## TRANSCORP HOTELS PLC

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### Management's Report on the Assessment of Internal Control Over Financial Reporting As at 31st December 2025

The Management of Transcorp Hotels Plc ("Transcorp Hotels" or the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorised acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Transcorp Hotel's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

In addition, the internal audit function provides its independent assurance on the effectiveness of the internal control over financial transactions by its structured review of Finance activities.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2025. In making this assessment, management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2025, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025, has been audited by Deloitte, an independent registered public accounting firm.



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**Mrs. Oluwatobiloba Ojediran**  
Chief Finance Officer  
FRC/2020/PRO/ICAN/001/00000020314



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**Mrs. Uzoamaka Oshogwe**  
Managing Director/ CEO  
FRC/2013/PRO/DIR/003/00000004689

## Assurance Report of Independent Auditors

### To the Shareholders of Transcorp Hotels PLC

#### Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **Transcorp Hotels Plc** and its subsidiaries ("the Group") as of 31 December, 2025, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. Transcorp Hotels Plc management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Group and our report dated 30 January 2026 expressed an unmodified opinion.

#### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

#### Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## **Inherent limitations**

Our procedures included the examination of historical evidence of the design and implementation of the Group's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.

## **Directors' and Management's Responsibilities**

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which require the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## **Auditor's Responsibility and Approach**

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.



**Deloitte & Touche (FRC/2022/COY/091021)**  
**Ngozika Emeka-Eze (FRC/2013/PRO/ICAN/004/00000001817)**  
Lagos, Nigeria  
30 January 2026



## Independent Auditors' Report

### To the Shareholders of Transcorp Hotels Plc

#### Report on the Audit of the Consolidated and Separate Financial Statements

##### Opinion

We have audited the consolidated and separate financial statements of **Transcorp Hotels Plc** and its subsidiaries (the Group and Company) set out on pages 31 to 126, which comprise the consolidated and separate statements of financial position as at 31 December 2025, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Transcorp Hotels Plc** as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment) Act 2023.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the consolidated Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. We have determined that there are no key audit matters to be communicated in our audit report.

##### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Transcorp Hotels Plc Consolidated and Separate Financial Statements for the year ended 31 December 2025" which includes the Directors' Report, Statement of Directors Responsibilities, Certification of the Financial Statements, Report of the Statutory Audit Committee, Consolidated and Separate Value-Added Statement and Consolidated and Separate Five-Year Financial Summary which we obtained prior to the date of this report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. Also, we:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Fifth Schedule of Companies and Allied Matters Act we expressly state that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Group has kept proper books of account, so far as appears from our examination of those books.
- iii. The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on the procedures we have performed and the evidence obtained; we have issued an Unmodified conclusion in our report dated 30 January 2026. That report is included on page 25 to 27 of the financial statements.



**Ngozika Emeka-Eze, FCA - FRC/2013/PRO/ICAN/004/00000001817**

**For: Deloitte & Touche (FRC/2022/Coy/091021)**

**Chartered Accountants**

**Lagos, Nigeria**

**30 January 2026**



**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income**

	Note	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
		N'000	N'000	N'000	N'000
<b>CONTINUING OPERATIONS</b>					
Revenue	9.	97,038,178	70,134,425	97,036,605	70,122,852
Cost of sales	10.	(22,634,942)	(20,414,882)	(22,634,942)	(20,414,882)
<b>Gross profit</b>		<b>74,403,236</b>	<b>49,719,543</b>	<b>74,401,663</b>	<b>49,707,970</b>
Other operating income	11.	503,691	5,413,229	1,476,679	5,502,283
Impairment gains/ (losses) on financial assets	12.	16,591	(69,174)	(26,802)	(326,118)
Operating expenses	13.	(39,681,818)	(29,034,445)	(39,624,821)	(28,885,935)
<b>Operating profit</b>		<b>35,241,700</b>	<b>26,029,153</b>	<b>36,226,719</b>	<b>25,998,200</b>
Finance costs	15.	(3,739,195)	(4,011,065)	(3,739,195)	(4,011,065)
Finance income	15.	1,315,129	594,546	1,315,129	594,546
<b>Profit before tax</b>		<b>32,817,634</b>	<b>22,612,634</b>	<b>33,802,653</b>	<b>22,581,681</b>
Income tax	17.	(10,965,512)	(7,716,773)	(10,965,512)	(7,716,773)
<b>Profit for the Year</b>		<b>21,852,122</b>	<b>14,895,861</b>	<b>22,837,141</b>	<b>14,864,908</b>
<b>Profit for the Year attributable to:</b>					
Owners of the Company	31.	21,870,611	14,943,791	22,837,141	14,864,908
Non-controlling interests	32.	(18,489)	(47,930)	-	-
		<b>21,852,122</b>	<b>14,895,861</b>	<b>22,837,141</b>	<b>14,864,908</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to profit or loss</b>					
<b>Items that may not be reclassified to profit or loss</b>					
-Fair value gain on equity instrument	22.	384,004	-	384,004	-
Actuarial gains arising from changes in Discount Rate Assumption	37.	-	64,323	-	64,323
Actuarial gains/(losses) arising from changes in Exchange Rate Assumption	37.	34,935	(191,220)	34,935	(191,220)
Actuarial losses – Change in Benefit Escalation Assumption	37.	(2,653)	-	(2,653)	-
Actuarial gains/(losses) arising from experience adjustments	37.	47,776	(68,615)	47,776	(68,615)
Cost of benefit improvement	37.	-	(26,620)	-	(26,620)
Tax (charge)/credit on actuarial gains/losses		(26,419)	73,303	(26,419)	73,303
<b>Total other comprehensive income for the year</b>		<b>437,643</b>	<b>(148,829)</b>	<b>437,643</b>	<b>(148,829)</b>
<b>Total comprehensive income for the year</b>		<b>22,289,765</b>	<b>14,747,032</b>	<b>23,274,784</b>	<b>14,716,079</b>
<b>Attributable to:</b>					
Owners of the Company		22,308,254	14,794,962	23,274,784	14,716,079
Non-controlling interests		(18,489)	(47,930)	-	-
		<b>22,289,765</b>	<b>14,747,032</b>	<b>23,274,784</b>	<b>14,716,079</b>
<b>Earnings per share</b>					
Basic earnings per share (kobo)	18.	214	146	223	145
Diluted earnings per share (kobo)	18.	214	146	223	145

The material accounting policy information on pages 36 to 70 and the notes on pages 71 to 126 form an integral part of the consolidated and separate financial statements.

**TRANSCORP HOTELS PLC**

 Consolidated and Separate Financial Statements  
 For the year ended 31 December 2025

**Consolidated and Separate Statements of Financial Position  
 As At 31 December 2025**

	Note	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	19.	124,857,235	117,788,451	110,277,904	104,244,500
Investment property	20.	-	-	2,816,000	1,843,000
Intangible assets	21.	238,450	157,765	217,172	126,558
Investment in subsidiaries	8.	-	-	21,220	21,220
Other investment	22.	3,689,079	2,305,075	3,689,079	2,305,075
Long term receivables	24.	1,631,250	1,856,250	11,726,400	10,913,701
		<b>130,416,014</b>	<b>122,107,541</b>	<b>128,747,775</b>	<b>119,454,054</b>
<b>Current assets</b>					
Inventories	23.	629,339	790,351	629,339	790,351
Trade and other receivables	24.	10,996,634	7,414,104	10,989,428	7,406,941
Prepayments	25.	904,653	1,788,621	904,653	1,788,621
Cash and bank balances	26.	16,959,276	8,595,596	16,916,133	8,542,123
		<b>29,489,902</b>	<b>18,588,672</b>	<b>29,439,553</b>	<b>18,528,036</b>
<b>Total assets</b>		<b>159,905,916</b>	<b>140,696,213</b>	<b>158,187,328</b>	<b>137,982,090</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	29.	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	29.	12,548,859	12,548,859	12,548,859	12,548,859
Other reserves		250,964	(186,679)	250,964	(186,679)
Retained earnings	31.	77,525,168	63,234,028	78,023,306	62,765,636
Equity attributable to Owners of the Company		<b>95,446,255</b>	<b>80,717,472</b>	<b>95,944,393</b>	<b>80,249,080</b>
Non-controlling interests	32.	(216,812)	(198,323)	-	-
<b>Total equity</b>		<b>95,229,443</b>	<b>80,519,149</b>	<b>95,944,393</b>	<b>80,249,080</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	33.	5,068,646	8,744,873	5,068,646	8,744,873
Deferred income	34.	202,701	650,778	202,701	650,778
Contract liabilities	35.	1,681,080	1,833,905	1,681,080	1,833,905
Deposit for shares	36.	2,410,000	2,410,000	-	-
Defined benefit liability	37.	359,212	420,815	359,212	420,815
Deferred tax liability	17.	18,177,938	12,361,948	18,177,938	12,361,948
		<b>27,899,577</b>	<b>26,422,319</b>	<b>25,489,577</b>	<b>24,012,319</b>
<b>Current liabilities</b>					
Trade and other payables	38.	24,448,050	22,499,151	24,424,552	22,465,137
Current tax liabilities	17.	5,273,156	3,067,783	5,273,116	3,067,743
Contract liabilities	35.	1,077,889	357,709	1,077,889	357,709
Borrowings	33.	5,449,642	7,340,166	5,449,642	7,340,166
Deferred income	34.	444,000	444,000	444,000	444,000
Defined benefit liability	37.	84,159	45,936	84,159	45,936
		<b>36,776,896</b>	<b>33,754,745</b>	<b>36,753,358</b>	<b>33,720,691</b>
<b>Total liabilities</b>		<b>64,676,473</b>	<b>60,177,064</b>	<b>62,242,935</b>	<b>57,733,010</b>
<b>Total equity and liabilities</b>		<b>159,905,916</b>	<b>140,696,213</b>	<b>158,187,328</b>	<b>137,982,090</b>

The Consolidated and Separate Financial Statements on pages 31 to 126 were approved by the Board of Directors on 29 January 2026 and were signed on its behalf by:



**Dr. (Mrs.) V. Awele Elumelu, OFR**  
 Chairman  
 FRC/2013/PRO/DIR/003/00000004705



**Mrs. Oluwatobiloba Ojadiran**  
 Chief Finance Officer  
 FRC/2020/PRO/ICAN/001/00000020314



**Mrs. Uzoamaka Oshogwe**  
 Managing Director/CEO  
 FRC/2013/PRO/DIR/003/00000004689

The material accounting policy information on pages 36 to 70 and the notes on pages 71 to 126 form an integral part of the consolidated and separate financial statements.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Consolidated and Separate Statements of Changes In Equity**
**As At 31 December 2025**

	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parent N'000	Non-controlling interests N'000	Total equity N'000
<b>Group</b>							
<b>Balance at 1 January 2024</b>	5,121,264	12,548,859	(37,850)	49,314,490	66,946,763	(150,393)	66,796,370
Profit for the year	-	-	-	14,943,791	14,943,791	(47,930)	14,895,861
Other comprehensive income	-	-	(148,829)	-	(148,829)	-	(148,829)
Total comprehensive income for the period	-	-	(148,829)	14,943,791	14,794,962	(47,930)	14,747,032
Dividend paid in 2024	-	-	-	(1,024,253)	(1,024,253)	-	(1,024,253)
<b>Total contributions by and distributions to Owners of Company</b>	-	-	-	(1,024,253)	(1,024,253)	-	(1,024,253)
<b>Balance at 31 December 2024</b>	5,121,264	12,548,859	(186,679)	63,234,028	80,717,472	(198,323)	80,519,149
<b>Balance as at 1 January 2025</b>	5,121,264	12,548,859	(186,679)	63,234,028	80,717,472	(198,323)	80,519,149
Profit/(loss) for the year	-	-	-	21,870,611	21,870,611	(18,489)	21,852,122
Other comprehensive income	-	-	437,643	-	437,643	-	437,643
Total comprehensive income for the year	-	-	437,643	21,870,611	22,308,254	(18,489)	22,289,765
Dividend paid in 2025	-	-	-	(7,579,471)	(7,579,471)	-	(7,579,471)
<b>Total contributions by and distributions to Owners of Company</b>	-	-	-	(7,579,471)	(7,579,471)	-	(7,579,471)
<b>Balance at 31 December 2025</b>	5,121,264	12,548,859	250,964	77,525,168	95,446,255	(216,812)	95,229,443

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Consolidated and Separate Statements of Changes In Equity**

	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parent N'000	Non-controlling interests N'000	Total equity N'000
<b>Company</b>							
Balance at 1 January 2024	5,121,264	12,548,859	(37,850)	48,924,981	66,557,254	-	66,557,254
Profit for the year	-	-	-	14,864,908	14,864,908	-	14,864,908
Other comprehensive income	-	-	(148,829)	-	(148,829)	-	(148,829)
Total comprehensive income for the year	-	-	(148,829)	14,864,908	14,716,079	-	14,716,079
Dividend paid in 2024	-	-	-	(1,024,253)	(1,024,253)	-	(1,024,253)
<b>Total contributions by and distributions to Owners of Company</b>	-	-	-	(1,024,253)	(1,024,253)	-	(1,024,253)
Balance at 31 December 2024	5,121,264	12,548,859	(186,679)	62,765,636	80,249,080	-	80,249,080
Balance at 1 January 2025	5,121,264	12,548,859	(186,679)	62,765,636	80,249,080	-	80,249,080
Profit for the year	-	-	-	22,837,141	22,837,141	-	22,837,141
Other comprehensive income	-	-	437,643	-	437,643	-	437,643
Total comprehensive income for the year	-	-	437,643	22,837,141	23,274,784	-	23,274,784
Dividend paid in 2025	-	-	-	(7,579,471)	(7,579,471)	-	(7,579,471)
<b>Total contributions by and distributions to Owners of Company</b>	-	-	-	(7,579,471)	(7,579,471)	-	(7,579,471)
Balance at 31 December 2025	5,121,264	12,548,859	250,964	78,023,306	95,944,393	-	95,944,393

The material accounting policy information on pages 36 to 70 and the notes on pages 71 to 126 form an integral part of the consolidated and separate financial statements.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

**Consolidated and Separate Statements of Cash Flows**

	Note	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
		N'000	N'000	N'000	N'000
<b>Operating activities</b>					
Cash generated from operations	39.	37,194,665	21,449,147	36,167,296	21,169,073
Income taxes paid	17.	(2,970,568)	(1,446,635)	(2,970,568)	(1,446,635)
<b>Net cash from operating activities</b>		<b>34,224,097</b>	<b>20,002,512</b>	<b>33,196,728</b>	<b>19,722,438</b>
<b>Investing activities</b>					
Proceeds on disposal of subsidiary*		225,000	418,750	225,000	418,750
Interest received		574,916	17,359	574,916	17,359
Equity shares acquired	22.	(1,000,000)	(2,005,000)	(1,000,000)	(2,005,000)
Proceeds from sale of property, plant and equipment		55,036	29,877	55,036	28,539
Purchase of property, plant and equipment	19.	(10,437,295)	(12,227,879)	(9,399,596)	(11,959,454)
Purchase of intangible asset	21.	(128,110)	(60,567)	(128,110)	(55,709)
<b>Net cash used in investing activities</b>		<b>(10,710,453)</b>	<b>(13,827,460)</b>	<b>(9,672,754)</b>	<b>(13,555,515)</b>
<b>Financing activities</b>					
Proceeds from borrowings		-	3,405,268	-	3,405,269
Repayment of borrowings	33.	(5,555,070)	(8,101,245)	(5,555,070)	(8,101,245)
Interest paid	33.	(1,579,000)	(2,503,573)	(1,579,000)	(2,503,573)
Dividends paid		(7,579,471)	(3,072,759)	(7,579,471)	(3,072,759)
<b>Net cash used in financing activities</b>		<b>(14,713,541)</b>	<b>(10,272,309)</b>	<b>(14,713,541)</b>	<b>(10,272,308)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>8,800,103</b>	<b>(4,097,257)</b>	<b>8,810,433</b>	<b>(4,105,385)</b>
Cash and cash equivalents at beginning of year		7,015,168	7,229,652	6,961,695	7,184,307
Effect of foreign exchange rate changes		(263,650)	3,882,773	(263,650)	3,882,773
<b>Cash and cash equivalents at end of year</b>	<b>26.</b>	<b>15,551,621</b>	<b>7,015,168</b>	<b>15,508,478</b>	<b>6,961,695</b>

\*Proceed relates to part consideration on the disposal of subsidiary received during the period based on the contractual payment structure.

The material accounting policy information on pages 36 to 70 and the notes on pages 71 to 126 form an integral part of the consolidated and separate financial statements.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **1. Corporate information**

Transcorp Hotels Plc is a public limited company incorporated and domiciled in Nigeria.

Transcorp Hotels Plc (the company or the parent) was incorporated under the Companies and Allied Matters Act on 12 July 1994 as a private limited liability company and is domiciled in Nigeria. Following a successful Initial Public Offer (IPO), the Company was on 15 January 2015 listed on the Nigerian Exchange Limited (formerly Nigerian Stock Exchange) and its shares are publicly traded.

The ultimate parent of the Company is Transnational Corporation Plc with 76.16% (2024:76.16%) shareholdings.

The registered office is located at 1 Aguiyi Ironsi Street, Maitama, Federal Capital Territory, Abuja, Nigeria.

The Group is principally engaged in hospitality activities; rendering of hotel services by providing luxury accommodation, fully equipped meeting rooms, and leisure facilities to business travellers and tourists from all over the world.

During the year, the Group commissioned the Transcorp Centre, a state-of-the-art facility with a 5,000-seater capacity, further enhancing its ability to host large-scale conferences, corporate events, and social gatherings. These offerings cater to both business travellers and tourists, reflecting the Group's commitment to excellence in service delivery and operational standards.

Information on the Group's structure is provided in Note 8.

The consolidated and separate financial statements for the period ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 29 January 2026.

#### **2. Material Accounting Policy Information**

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

##### **2.1 Basis of Preparation**

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, the IFRS<sup>®</sup> Accounting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate financial statements, the Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The consolidated and separate financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. The consolidated and separate financial statements are presented in Naira, which is the Group's and Company's functional currency.

All values are rounded to the nearest thousand (N'000), except when otherwise indicated.

These accounting policies are consistent with the previous year.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.1 Basis of Preparation (cont'd)**

##### **Going Concern**

Management believes that a going concern assumption is appropriate for the Group due to sufficient Debt to Equity ratio and projected liquidity. This is based on historical experience that short-term obligations will be re-financed as required in the normal course of business.

As at 31 December 2025, the consolidated statement of financial position reflected an excess of current liabilities over current assets. The working capital deficit was primarily caused by the related parties payables within current liabilities for which there is no immediate demand for repayment.

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

Liquidity ratio and continuous evaluation of current ratio of the Group is carried out on an ongoing basis to ensure that there are no going concern threats to the operations of the Group.

#### **2.2 Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating-decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director/Chief Executive Officer (MD/CEO) of Transcorp Hotels Plc, that makes strategic decisions.

The basis of segmental reporting has been set out in Note 5.

#### **2.3 Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to each reporting date. Control is achieved when the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.3 Consolidation (cont'd)**

##### **Accounting Policies**

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed off and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### **Investments in Subsidiaries in the Separate Financial Statements**

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

##### **Business combinations**

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.3 Consolidation (cont'd)**

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset, or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS Accounting Standards. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date's fair values unless another measurement basis is required by IFRS Accounting Standards.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

#### **Goodwill**

Goodwill is determined as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## TRANSCORP HOTELS PLC

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For the year ended 31 December 2025

### Notes to the Consolidated and Separate Financial Statements

#### 2.3 Consolidation (cont'd)

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### Impairment of Goodwill

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

#### 2.4 Current versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; Or
- The entity does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 2.5 Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at each financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. The Group carry out periodic assessment on the need to change our external valuers.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

## **TRANSCORP HOTELS PLC**

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For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.6 Revenue from Contracts with Customers**

The Group is in the hospitality industry and largely offers lodging, meals and other guest services to customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

At contract inception, the Group assesses the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- A good or service (or a bundle of goods or services) that is distinct; or
- A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Group assesses the goods and services as capable of being distinct and as distinct within the context of the contract after considering the following:

- If the customer can benefit from the individual good or service on its own;
- If the customer can use the good or service with other readily available resources;
- If multiple promised goods or services work together to deliver a combined output(s); and
- whether the goods or services is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract.

The Group recognises revenue from the following major sources:

- Rooms
- Food and beverages
- Accommodation and experience
- Other services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

#### **Rooms**

A contract for the rendering of service by providing a room for an agreed period begins on performance which is when a customer checks in.

The Group recognises revenue from the provision of room over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an output method in measuring progress for the provision of room because time elapsed faithfully depicts the entity's performance towards complete satisfaction of the performance obligation. The normal credit term is 30 to 90 days upon check-in.

#### **Food and beverages**

The Group sells food and beverages to hotel guests and visitors. The Group recognises revenue from the sale of food and beverages at a point in time when control of the food and beverage is transferred to the customer.

## **TRANSCORP HOTELS PLC**

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For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.6 Revenue from Contracts with Customers (cont'd)**

##### **Accommodation and Experiences**

The Group generates revenue from commissions on accommodation and experiences sold on the Aura platform. Hosts and hospitality enthusiasts, markets and sells accommodation to guests in their apartment suites, hotels and experiences like tours, photography, restaurant, etc.

##### **Other services**

The Group generates revenue from other streams such as secretarial services, recreational services, service charge, shop rental, event centre, and other operating services. Revenue from rendering these services is recognised over time with the exception of secretarial services and service charge. For the revenue recognised over time, the Group uses the output method in measuring progress for the provision of the amenities because time elapsed. This faithfully depicts the entity's performance towards complete satisfaction of the performance obligation.

A flat rate service charge is included in the consideration expected from the customer. A portion of this (10%) is earned by the company and the balance is paid to the staff.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

##### **Allocating discounts**

The Group allocates a variable amount (and subsequent changes to that amount) entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation if both of the following criteria are met:

- the terms of a variable payment relate specifically to the Group's efforts to satisfy the performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying the performance obligation or transferring the distinct good or service); and
- allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective in IFRS 15:73 when considering all the performance obligations and payment terms in the contract.

##### **Contract balances**

###### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

###### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.6 Revenue from Contracts with Customers (cont'd)**

##### **Security deposit**

The Group receives a refundable deposit from customers. The refundable deposit is called a security deposit, and it is used to recoup unpaid balances owed by the customer. However, if the customer does not have unpaid balances, it is refunded to the customer. (See Note 35.1)

#### **2.7 Tax**

##### **Current Tax Assets and Liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### **Deferred Tax Assets and Liabilities**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liability is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused deferred tax credits can be utilised.

Deferred tax asset is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **2.7 Tax (cont'd)**

##### **Deferred Tax Assets and Liabilities (cont'd)**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Tax Expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## **TRANSCORP HOTELS PLC**

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.7 Tax (cont'd)**

##### **Value added tax (VAT)**

Expenses and assets are recognised net of the amount of Value added tax (VAT), except:

- When the Value added tax (VAT) incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of Value added tax (VAT) included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **2.8 Translation of Foreign Currencies**

##### **Functional and presentation currency**

Items included in the consolidated and separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate financial statements are presented in Naira which is the Group's functional and presentation currency.

##### **Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing exchange rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Group determines a date of transaction for each payment or receipt of advance consideration.

## **TRANSCORP HOTELS PLC**

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.8 Translation of Foreign Currencies (cont'd)**

##### **Deferred Tax Assets and Liabilities (cont'd)**

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

#### **2.9 Dividend**

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Directors for interim dividend and shareholders for final dividend.

Dividend for the year that are declared after the date of the statement of financial position are dealt within the subsequent events note.

Dividend approved by the Directors before year end is recognised in the financial statements in accordance with the requirements of the Company and Allied Matters Act 2020.

#### **2.10 Property, Plant and Equipment**

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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**Notes to the Consolidated and Separate Financial Statements**

**2.10 Property, Plant and Equipment (cont'd)**

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

<b>Item</b>	<b>Useful Life</b>
Freehold Land	Not depreciated
Building	5 - 50 years
Plant & Machinery	3 - 25 years
Motor Vehicle	2 - 5 years
Computer Equipment	2 - 10 years
Furniture & Fittings	2 - 15 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.11 Leases**

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

#### **Company as lessor**

The Company enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

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#### 2.11 Leases (cont'd)

##### Operating leases

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Rental lease income is included in other operating income.

#### 2.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 2.13 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

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### Notes to the Consolidated and Separate Financial Statements

#### 2.13 Intangible assets (cont'd)

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	3-8 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

#### 2.14 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

If an entity owns property that is leased to, and occupied by, another entity in the same group, the property does not qualify as investment property in the consolidated financial statements that include both entities. This is because the property is owner-occupied from the perspective of the Group as a whole. However, from the perspective of the individual entity that owns it, the property is investment property.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.14 Investment property (cont'd)**

##### **Fair value**

Subsequent to initial measurement, investment property is measured at fair value.

Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

#### **2.15 Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### **Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.15 Financial instruments (cont'd)**

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

#### **Financial liabilities and equity**

##### **Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments are recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.15 Financial instruments (cont'd)**

##### **Financial liabilities at FVTPL**

Financial liabilities are classified as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL

##### **Financial liabilities measured subsequently at amortised cost**

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.15.1 Trade and Other Receivables**

##### **Classification**

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 24).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Trade and Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

##### **Recognition and measurement**

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus, if any in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition.

Trade and other receivables are carried at amortised cost using the effective interest method.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### **Application of the effective interest method**

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (Note 15).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

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#### **2.15 Financial instruments (cont'd)**

##### **Impairment**

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12-month ECL).

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

##### **Definition of default**

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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#### **2.15.2 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value and are stated at carrying amount which is deemed to be fair value.

#### **2.15.3 Borrowings and Loans from Related Parties**

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 15).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to Note 6.2 for details of risk exposure and management thereof.

#### **2.15.4 Trade and Other Payables**

Trade and other payables (Note 38), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 15).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 6 for details of risk exposure and management thereof.

#### **2.15.5 Bank Overdrafts**

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### **2.15.6 Derecognition**

##### **Financial Assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.15.6 Derecognition (cont'd)**

##### **Financial Liabilities**

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **2.15.7 Offsetting of Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **2.16 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### **2.17 Impairment of Non-Financial Assets**

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually or when circumstances indicate that the carrying value may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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### Notes to the Consolidated and Separate Financial Statements

#### 2.17 Impairment of Non-Financial Assets (cont'd)

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's Cash Generating Unit (CGUs) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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### Notes to the Consolidated and Separate Financial Statements

#### 2.18 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 43.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 2.19 Employee benefits

##### Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

##### Defined contribution plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution plan for its staff in accordance with the provisions of the Pension Reform Act 2014 as amended. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

Each employee contributes 8% of annual earnings (basic pay, transport and housing), while the employer contributes 10% of employees' annual earnings to the scheme. Staff contributions to the plan are funded through payroll deductions while the Group's contribution is recorded as employee benefit expense in profit or loss.

##### Other long-term employee benefits

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The Projected Unit Credit (PUC) method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The regular benefit expense for the year to be recognised in Profit/Loss is a result of:

- the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 14);
- plus, net interest on the net liability, i.e.:
  - interest cost on the accrued defined benefit obligation
  - interest income on the fair value of plan assets (if any)
- plus, or minus the amount required to recognise actuarial losses or gains for other long-term benefits type of plans pursuant with IAS 19 (revised 2011) provisions.

The amount recognised as a net benefit liability in the Consolidated Statement of Financial Position is:

- the deficit in the plan; (see note 37)
- plus, the effect of asset ceiling, if applicable.

## **TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

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### **Notes to the Consolidated and Separate Financial Statements**

#### **2.17 Impairment of Non-Financial Assets (cont'd)**

Remeasurements of the net defined benefit liability (asset), to be recognised in other comprehensive income, comprises of:

- actuarial gains and losses arising during the financial year;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

#### **Amendments to Plan, Curtailments and Settlements in the Staff Long Service Award (LSA) plan**

During the current financial year, there was no change made to the Long Service Award (LSA) plan. Also, there were no material events, Curtailment or Settlements during the financial year.

#### **2.20 Deferred Income**

The Group enters into transactions where the fair value of the financial instruments is determined using valuation models for which certain inputs are not based on market-observable prices or rates. Such financial instruments are initially recognised at the transaction price, which is the best indicator of fair value. The transaction price may differ from the valuation amount obtained, giving rise to a day one gain or loss.

The difference between the transaction price and the valuation amount commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised.

The Group's day one gains are attributable to loans and advances from the Bank of Industry. (see note 34)

#### **2.21 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the period in which they are declared.

## **TRANSCORP HOTELS PLC**

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For the year ended 31 December 2025

### **Notes to the Consolidated and Separate Financial Statements**

#### **Accounting Policies**

#### **3. Significant judgements and sources of estimation uncertainty**

The preparation of consolidated and separate financial statements in conformity with the IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### **Critical judgements in applying accounting policies**

The critical judgements made by management in applying accounting policies, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

##### **Investment Property Valuation**

The Group valued its investment property in the open market using the Depreciated Replacement Cost method of valuation. This method of valuation seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs LESS an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

The basis of valuation is the Market Value, which is the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming:

- a. a willing buyer;
- b. a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- c. values will remain static throughout the period;
- d. the property will be freely exposed to the market;

##### **Revenue recognition**

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Group concluded that revenue from rooms and other services will be recognised overtime because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Hotel's performance.

The Group has determined that the output method is the best method in measuring progress rendering the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

## **TRANSCORP HOTELS PLC**

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### **Notes to the Consolidated and Separate Financial Statements**

#### **3. Significant judgements and sources of estimation uncertainty (cont'd)**

The Group concluded that revenue from selling food and beverages is to be recognised at a point in time because sales of food and beverage do not meet the requirements of being satisfied overtime. The Group has assessed that a customer obtains control of the food and beverage when:

- The Group has a present right to payment for the food and beverage;
- The Group has transferred physical possession of the food and beverage to the Customer;
- The customer has the significant risks and rewards of the food and beverage; and
- The customer has accepted the asset.

The Group has assessed that revenue earned from service charge will be satisfied as the Host good or service is being satisfied.

For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services is being recognised.

For food and beverage: revenue earned from service charge levied on food and beverage will be recognised at a point in time, in line with the how revenue from food and beverage is being recognised.

Principal versus agent considerations: Hilton Honours- customer loyalty program

The Company participates in the Hilton Honours customer loyalty program. The loyalty program allows a customer to earn points for nights spent in the hotel. On accumulating sufficient points, the customer earns a discount that can be used at any Hilton Hotel worldwide. The Group determined that it acts as an agent in the transaction through assessing the following:

- The Group is not primarily responsible for fulfilling the promise to provide the specified benefit arising from earning loyalty points.
- The Group has no control of loyalty program
- The Group does not determine the cash value of the points earned by customers

#### **Key sources of estimation uncertainty**

##### **Impairment testing**

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The fair value of the assets of is based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 3. Significant judgements and sources of estimation uncertainty (cont'd)

##### **Useful lives of property, plant and equipment**

Property, Plant and equipment represent one of the most significant proportions of the asset base of the Group, accounting for about 85% of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

##### **Provision for expected credit losses of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next period which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 4. New Standards and Interpretations

##### 4.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has applied the following amendment to IFRS Accounting Standards issued by the IASB, which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The group has adopted the amendments to IAS 21 for the first time in the current year.

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the ‘qualifying criteria’ for hedge accounting (instead of the ‘conditions’) and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

##### **IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition**

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price.

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

##### **Guidance on implementing IFRS 7—Introduction and credit risk disclosures**

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

##### **IFRS 9 Financial Instruments—Derecognition of lease liabilities**

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

## **TRANSCORP HOTELS PLC**

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### **Notes to the Consolidated and Separate Financial Statements**

#### **4.1 Standards and interpretations effective and adopted in the current year (cont'd)**

##### **IFRS 9 Financial Instruments—Transaction price**

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue.

Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

##### **IFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'**

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory.

IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

##### **IAS 7 Statement of Cash Flows—Cost method**

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

#### **4.2 New and revised IFRS Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

1. Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
2. Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
3. IFRS 18 - Presentation and Disclosures in Financial Statements effective January 1, 2027
4. IFRS 19 Subsidiaries without Public Accountability: Disclosures. effective January 1, 2027

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 4.1 Standards and interpretations effective and adopted in the current year (cont'd)

##### **Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments**

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

##### **1. Derecognition of a financial liability settled through electronic transfer**

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

##### **2. Classification of financial assets**

- **Contractual terms that are consistent with a basic lending arrangement.**

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

- **Assets with non-recourse features.**

The amendments enhance the description of the term 'non-recourse,' in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- **Contractually linked instruments.**

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

##### **3. Disclosures**

- Investments in equity instruments designated at FVTOCI.

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- Contractual terms that could change the timing or amount of contractual cash flows.

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### Notes to the Consolidated and Separate Financial Statements

#### 4.1 Standards and interpretations effective and adopted in the current year (cont'd)

##### 3. Disclosures (cont'd)

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

#### **Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity**

##### **Amendments to IFRS 9 Financial Instruments**

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
  - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
  - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

##### **Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

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### Notes to the Consolidated and Separate Financial Statements

#### 4.1 Standards and interpretations effective and adopted in the current year (cont'd)

##### 3. Disclosures (cont'd)

The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

##### **IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

##### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

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### Notes to the Consolidated and Separate Financial Statements

#### 5. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Managing Director/Chief Executive Officer (MD/CEO) of Transcorp Hotels Plc. The MD/CEO reviews the Group's internal reporting to assess performance and allocate resources. The MD/CEO has determined the operating segments based on these reports. Assessment of performance is based on operating profits of the operating segments that are reviewed by the MD/CEO and other Directors. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Directors consider the business from an industry perspective and have identified one (1) operating segment which is the hospitality business as none of the subsidiaries consolidated qualify for segment analysis.

All businesses are situated in Nigeria. In addition, there are no inter-segmental sales as all sales are to external customers.

Segment by entity	For the year ended 31 December 2025		
	Company	Other	Group
	Transcorp Hotels Plc	Segments	Transcorp Hotels Plc
	N'000	N'000	N'000
Rooms	63,104,673	-	63,104,673
Food & Beverage	29,007,495	-	29,007,495
Event centre hall rental	1,612,900	-	1,612,900
Shop rental	1,787,286	-	1,787,286
Service charge	536,772	-	536,772
Recreation Service	392,725	-	392,725
Secretarial Service	94,032	-	94,032
Accommodation and experiences	-	1,573	1,573
Other operating revenue	500,722	-	500,722
<b>Total revenue from contracts with customers</b>	<b>97,036,605</b>	<b>1,573</b>	<b>97,038,178</b>
<b>Cost of Sales</b>			
Rooms	(7,244,900)	-	(7,244,900)
Food and beverages	(14,962,285)	-	(14,962,285)
Other operating cost	(427,757)	-	(427,757)
<b>Total Cost of Sales</b>	<b>(22,634,942)</b>	<b>-</b>	<b>(22,634,942)</b>
<b>Gross Profit</b>	<b>74,401,663</b>	<b>1,573</b>	<b>74,403,236</b>
Other operating income *	1,476,679	12	503,691
Impairment gains/(losses) on financial assets**	(26,802)	-	16,591
Operating expenses***	(39,624,821)	(60,212)	(39,681,818)
<b>Operating Income</b>	<b>36,226,719</b>	<b>(58,627)</b>	<b>35,241,700</b>
Finance cost****	(3,739,195)	(1,009)	(3,739,195)
Finance income****	1,315,129	-	1,315,129
Profit before tax	33,802,653	(59,636)	32,817,634
Income tax	(10,965,512)		(10,965,512)
<b>Profit after tax</b>	<b>22,837,141</b>	<b>(59,636)</b>	<b>21,852,122</b>

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**Notes to the Consolidated and Separate Financial Statements**
**5. Segment information (cont'd)**

\* The total other operating income for the Group has factored in the elimination of (1) the fair value gain on Investment property which is transferred to Property, Plant, and Equipment at cost on consolidation, and (2) the lease income from the lease arrangement between Transcorp Hotels Plc (lessor) and Transcorp Hotels Port Harcourt (lessee).

\*\* The total impairment gains/(losses) on financial assets for the Group has factored in the elimination of impairment loss provision for receivables from Transcorp Hotels Ikoyi, Transcorp Hotels Port-Harcourt and, Aura by Transcorp Hotels.

\*\*\* The total operating expenses for the Group have factored in the elimination of the depreciation on right of use of assets in Transcorp Hotels Port Harcourt.

\*\*\*\* The total finance cost for the Group has factored in the elimination of the interest cost on lease liability in Transcorp Hotels Port Harcourt.

**As at 31 December 2025**

	Company		Group
	Transcorp Hotels Plc	Other Segments	Transcorp Hotels Plc
<b>Assets:</b>			
Property, plant and equipment	110,277,904	12,505,571	124,857,235
Right of use asset	-	41,808	-
Investment property	2,816,000	-	-
Other intangible assets	217,172	21,278	238,450
Investment in subsidiaries	21,220	-	-
Investment in financial asset	3,689,079	-	3,689,079
Long term receivables	11,726,400	-	1,631,250
Current Assets	29,439,553	61,749	29,489,902
<b>Total assets</b>	<b>158,187,328</b>	<b>12,630,406</b>	<b>159,905,916</b>
<b>Equity and liabilities:</b>			
Issued capital	5,121,264	12,100	5,121,264
Share premium	12,548,859	10,000	12,548,859
Non-controlling Interest	-	-	(216,812)
Other reserves	250,964	-	250,964
Retained earnings	78,023,306	(666,830)	77,525,168
<b>Total equity</b>	<b>95,944,393</b>	<b>(644,730)</b>	<b>95,229,443</b>
	-		
<b>Total liabilities</b>	<b>62,242,935</b>	<b>13,275,136</b>	<b>64,676,473</b>
<b>Total equity and liabilities</b>	<b>158,187,328</b>	<b>12,630,406</b>	<b>159,905,916</b>

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**Notes to the Consolidated and Separate Financial Statements**
**5. Segment information (cont'd)**

<b>As at 31 December 2024</b>			
<b>Segments by entity</b>	<b>Company</b>	<b>Other Segments</b>	<b>Group</b>
	<b>Transcorp Hotels Plc</b>		<b>Transcorp Hotels Plc</b>
	N'000	N'000	N'000
Rooms	45,597,829	-	45,597,829
Food and beverages	22,188,617	-	22,188,617
Shop rental	1,575,361	-	1,575,361
Service charge	305,756	-	305,756
Recreation Service	249,203	-	249,203
Secretarial Service	131,903	-	131,903
Accommodation and experiences	-	11,573	11,573
Other operating revenue	74,183	-	74,183
<b>Total revenue from contracts with customers</b>	<b>70,122,852</b>	<b>11,573</b>	<b>70,134,425</b>
<b>Cost of Sales</b>			
Rooms	(7,068,437)	-	(7,068,437)
Food and beverages	(12,675,995)	-	(12,675,995)
Other operating cost	(670,450)	-	(670,450)
<b>Total Cost of Sales</b>	<b>(20,414,882)</b>	<b>-</b>	<b>(20,414,882)</b>
<b>Gross Profit</b>	<b>49,707,970</b>	<b>11,573</b>	<b>49,719,543</b>
Other operating income *	5,502,283	13,397	5,413,229
Impairment gains/(losses) on financial assets**	(326,118)	-	(69,174)
Impairment losses on non-current assets held for sale***	-	-	-
Operating expenses***	(28,885,935)	(151,724)	(29,034,445)
<b>Operating Income</b>	<b>25,998,200</b>	<b>(126,754)</b>	<b>26,029,153</b>
Finance cost****	(4,011,065)	(235)	(4,011,065)
Finance income*****	594,546	-	594,546
Profit before tax	22,581,681	(126,989)	22,612,634
Income tax	(7,716,773)	-	(7,716,773)
<b>Profit/(loss) after tax</b>	<b>14,864,908</b>	<b>(126,989)</b>	<b>14,895,861</b>

\* The total other operating income for the Group has factored in the elimination of (1) the fair value gain on Investment property which is transferred to Property, Plant, and Equipment at cost on consolidation, and (2) the lease income from the lease arrangement between Transcorp Hotels Plc (lessor) and Transcorp Hotels Port Harcourt (lessee).

\*\* The total impairment gains/(losses) on financial assets for the Group has factored in the elimination of impairment loss provision for receivables from Transcorp Hotels Calabar, Transcorp Hotels Ikoyi, Transcorp Hotels Port-Harcourt and, Aura by Transcorp Hotels.

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**5. Segment information (cont'd)**

\*\*\* The total operating expenses for the Group have factored in the elimination of the depreciation on right of use of assets in Transcorp Hotels Port Harcourt.

\*\*\*\* The total finance cost for the Group has factored in the elimination of the interest cost on lease liability in Transcorp Hotels Port Harcourt.

	<b>As at 31 December 2024</b>		
	<b>Company</b>		<b>Group</b>
	<b>Transcorp Hotels Plc</b>	<b>Other Segments</b>	<b>Transcorp Hotels Plc</b>
<b>Assets:</b>			
Property, plant and equipment	104,244,500	11,470,191	117,788,451
Right of use asset	-	48,341	-
Investment property	1,843,000	-	-
Goodwill	-	-	-
Other intangible assets	126,558	31,207	157,765
Investment in subsidiaries	21,220	-	-
Investment in financial asset	2,305,075	-	2,305,075
Long term receivables	10,913,701	-	1,856,250
Deferred tax assets	-	-	-
Current Assets	18,528,036	71,903	18,588,672
<b>Total assets</b>	<b>137,982,090</b>	<b>11,621,642</b>	<b>140,696,213</b>
<b>Equity and liabilities:</b>			
Issued capital	5,121,264	12,100	5,121,264
Share premium	12,548,859	10,000	12,548,859
Non-controlling Interest	-	-	(198,323)
Other reserves	(186,679)	-	(186,679)
Retained earnings	62,765,636	(607,194)	63,234,028
<b>Total equity</b>	<b>80,249,080</b>	<b>(585,094)</b>	<b>80,519,149</b>
<b>Total liabilities</b>	<b>57,733,010</b>	<b>12,206,737</b>	<b>60,177,063</b>
<b>Total equity and liabilities</b>	<b>137,982,090</b>	<b>11,621,643</b>	<b>140,696,212</b>

Other segments include the three other subsidiaries in the Group; Aura by Transcorp Hotels, Transcorp Hotels Ikoyi, and Transcorp Hotels Port Harcourt.

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#### 6. Financial Instruments and Risk Management

##### 6.1 Capital risk management

The Group's objective when managing capital (which includes share capital, retained earnings, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group's policy is to keep the gearing ratio between 20% and 70% and a minimum B credit rating. The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current year (2024: nil).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Borrowings (Note 33)	10,518,288	16,085,039	10,518,288	16,085,039
Less: <b>cash and bank balance</b> (Note 26)	(16,959,276)	(8,595,596)	(16,916,133)	(8,542,123)
<b>Net debt</b>	<b>(6,440,988)</b>	<b>7,489,443</b>	<b>(6,397,845)</b>	<b>7,542,916</b>
Total capital: Equity	95,229,443	80,519,149	95,944,393	80,249,080
<b>Capital and net debt</b>	<b>88,788,455</b>	<b>88,008,592</b>	<b>89,546,548</b>	<b>87,791,996</b>
<b>Gearing ratio</b>	<b>-7%</b>	<b>9%</b>	<b>-7%</b>	<b>9%</b>

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#### 6.2. Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Market risk (currency risk, and interest rate risk);
- Credit risk; and
- Liquidity risk;

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a finance and investment committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### 6.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, and exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### Foreign Currency risk

The Group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved procurement policy. The foreign currencies in which the Group deals primarily are US Dollars, GB Pounds and Euros.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting year.

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#### 6.2.1 Market risk (cont'd)

##### Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	Group		Company	
	2025	2024	2025	2024
	'000	'000	'000	'000
<b>Cash and short-term deposits</b>				
a) USD	1,562	4,023	1,562	4,023
b) GBP	48	9	48	9
c) Euro	53	22	53	22
<b>Trade and other payables</b>				
a) USD	97	648	97	648
<b>Interest bearing loans and borrowings</b>				
a) USD	-	-	-	-

##### Foreign Currency Sensitivity Analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the prior reporting year.

Group	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or Decrease in Rate				
US Dollars 5% (2024:5%)	12,377	(12,377)	260,972	(260,972)
Euro 5% (2024:5%)	4,554	(4,554)	1,745	(1,745)
GB Pounds (2024:5%)	4,737	(4,737)	905	(905)
	21,668	(21,668)	263,622	(263,622)

Company	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or Decrease in Rate				
US Dollars 5% (2024:5%)	12,377	(12,377)	260,972	(260,972)
Euro 5% (2024:5%)	4,554	(4,554)	1,745	(1,745)
GB Pounds (2024:5%)	4,737	(4,737)	905	(905)
	21,668	(21,668)	263,622	(263,622)

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates is being reduced since the Group's long-term debt obligations are fixed interest rates.

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#### 6.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### (i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum national rating of 'A' are accepted.

There is no independent rating for customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

The maximum exposure to credit risk is presented in the table below:

Group	2025			2024		
	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value
Trade and other receivables	12,704,092	(76,208)	12,627,884	9,363,152	(92,798)	9,270,354
Cash and bank balances	16,959,276	-	16,959,276	8,595,596	-	8,595,596
	<u>29,663,368</u>	<u>(76,208)</u>	<u>29,587,160</u>	<u>17,958,748</u>	<u>(92,798)</u>	<u>17,865,950</u>

Company	2025			2024		
	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value
Trade and other receivables	23,433,742	(717,914)	22,715,828	19,011,755	(691,113)	18,320,642
Cash and bank balances	16,916,133	-	16,916,133	8,542,123	-	8,542,123
	<u>40,349,875</u>	<u>(717,914)</u>	<u>39,631,961</u>	<u>27,553,878</u>	<u>(691,113)</u>	<u>26,862,765</u>

#### (ii) Security

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. However, some guests are required to provide security deposits for credit transactions while others are granted credit on the strength of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

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**6.2.1 Market risk (cont'd)**
**(iii) Impairment of trade receivables**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 24. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

<b>Trade receivables - Group</b>						
<b>Days past due</b>						
	<b>Current</b>	<b>&lt;30 days</b>	<b>30–60 days</b>	<b>61–90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
<b>31-Dec-25</b>						
<i>Third party receivables</i>						
<b>Expected credit loss rate</b>	1.01%	2.36%	7.54%	12.81%	60.95%	
Estimated total gross carrying amount at default	2,605,530	520,764	132,339	153,278	5,306	3,417,217
Expected credit loss	26,194	12,271	9,979	19,634	3,234	<b>71,311</b>
<b>31-Dec-24</b>						
<i>Third party receivables</i>						
<b>Expected credit loss rate</b>	0.72%	1.88%	7.82%	9.27%	19.65%	
Estimated total gross carrying amount at default	1,212,428	643,816	100,854	41,945	96,765	2,095,808
Expected credit loss	8,765	12,130	7,890	3,887	19,019	<b>51,691</b>

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**6.2.1 Market risk (cont'd)**
**(iii) Impairment of trade receivables (cont'd)**

	Trade receivables - Company					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
<b>31-Dec-25</b>	N'000	N'000	N'000	N'000	N'000	N'000
<b>Third party receivables</b>						
<b>Expected credit loss rate</b>	1.01%	2.36%	7.54%	12.81%	61.02%	
Estimated total gross carrying amount at default	2,605,530	520,764	132,339	153,278	5,300	3,417,211
Expected credit loss	26,194	12,271	9,979	19,634	3,234	<b>71,311</b>
<b>31-Dec-24</b>						
<b>Third party receivables</b>						
<b>Expected credit loss rate</b>	0.72%	1.88%	7.82%	9.27%	19.66%	
Estimated total gross carrying amount at default	1,212,428	643,816	100,854	41,945	96,759	2,095,802
Expected credit loss	8,765	12,130	7,890	3,887	19,019	<b>51,691</b>

**Reconciliation of Loss Allowances on Third Party Receivables**

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
As at 1 January	51,691	23,145	51,691	23,145
Charge for the year (Note 24.1)	19,620	28,546	19,620	28,546
As at 31 December	<b>71,311</b>	<b>51,691</b>	<b>71,311</b>	<b>51,691</b>

**Receivables from subsidiaries (Note 24.2)**

	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Expected credit loss rate	0.000%	0.000%	1.159%	0.939%
Estimated total gross carrying amount at default	-	-	10,213,529	9,162,764
<b>Expected credit loss</b>	-	-	<b>118,379</b>	<b>85,833</b>

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**6.2.1 Market risk (cont'd)**
**(iii) Impairment of trade receivables (cont'd)**

<b>Reconciliation of Loss Allowances on receivables from subsidiaries</b>				
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
As at 1 January	-	-	85,833	67,445
Charged for the year (Note 24.2)	-	-	32,546	18,388
<b>As at 31 December</b>	<b>-</b>	<b>-</b>	<b>118,379</b>	<b>85,833</b>

<b>Receivables from related parties (Note 24.3)</b>				
	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Expected credit loss rate	0.122%	1.468%	11.626%	16.713%
Estimated total gross carrying amount at default	4,020,117	2,799,817	4,543,446	3,312,299
<b>Expected credit loss</b>	<b>4,898</b>	<b>41,107</b>	<b>528,226</b>	<b>553,589</b>

<b>Reconciliation of Loss Allowances on related party receivables</b>				
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
As at 1 January	41,107	479	553,589	835,907
Charged for the year (Note 24.3)	(36,209)	40,628	(25,363)	279,184
Write-off of provision for expected credit losses-Transcorp Hotels Calabar	-	-	-	(561,502)
<b>As at 31 December</b>	<b>4,898</b>	<b>41,107</b>	<b>528,226</b>	<b>553,589</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. There are no credit ratings for Transcorp Hotels Plc's trade and other receivables. Credit ratings from Global Credit Rating Co. (GCR) are highlighted below:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Cash at bank and short-term deposits A1+(nga)	16,918,574	8,540,128	16,875,431	8,486,655
Unrated cash and cash equivalents	40,702	55,468	40,702	55,468
Unrated trade and other receivables	12,627,884	9,270,354	22,715,828	18,320,642
<b>Maximum credit exposure</b>	<b>29,587,160</b>	<b>17,865,950</b>	<b>39,631,961</b>	<b>26,862,765</b>

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#### 6.2.1 Market risk (cont'd)

##### (iv) Impairment of other financial assets

###### **Expected credit loss measurement - other financial assets**

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### **Excessive risk concentration**

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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**6.2.3 Liquidity risk**

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due as a result of obligations, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated financial position and sales of assets, or potentially an inability to fulfil obligations and commitments.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

This is generally carried out at each of the respective companies of the Group in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

<b>Group</b>						
<b>Year ended 31 December 2025</b>	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total days</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Borrowings (Note 33 & Note 34)	(1,981,706)	(1,440,262)	(2,433,089)	(5,309,932)	-	(11,164,989)
Trade and other payables (Note 38)	-	(18,723,705)	(5,724,345)	-	-	(24,448,050)
Trade and other receivables (Note 24)	-	11,016,592	506,250	1,181,250	-	12,704,092
<b>Liquidity Shortfall</b>	<b>(1,981,706)</b>	<b>(9,147,375)</b>	<b>(7,651,184)</b>	<b>(4,128,682)</b>	<b>-</b>	<b>(22,908,947)</b>
<b>Year ended 31 December 2024</b>	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total days</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Borrowings (Note 33 & Note 34)	(2,206,937)	(1,374,474)	(4,180,595)	(9,417,810)	-	(17,179,817)
Trade and other payables (Note 38)	-	(13,858,414)	(8,640,737)	-	-	(22,499,151)
Trade and other receivables (Note 24)	-	7,450,652	506,250	1,406,250	-	9,363,152
<b>Liquidity Shortfall</b>	<b>(2,206,937)</b>	<b>(7,782,236)</b>	<b>(12,315,082)</b>	<b>(8,011,560)</b>	<b>-</b>	<b>(30,315,816)</b>
<b>Company</b>						
<b>Year ended 31 December 2025</b>	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total days</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Borrowings (Note 33 & Note 34)	(1,981,706)	(1,440,262)	(2,433,089)	(5,309,932)	-	(11,164,989)
Trade and other payables (Note 38)	-	(18,717,010)	(5,707,542)	-	-	(24,424,552)
Trade and other receivables (Note 24)	-	11,532,713	506,250	11,394,779	-	23,433,742
<b>Liquidity Surplus/(Shortfall)</b>	<b>(1,981,706)</b>	<b>(8,624,559)</b>	<b>(7,634,381)</b>	<b>6,084,847</b>	<b>-</b>	<b>(12,155,799)</b>
<b>Year ended 31 December 2024</b>	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total days</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Borrowings (Note 33 & Note 34)	(2,206,937)	(1,374,474)	(4,180,595)	(9,417,810)	-	(17,179,817)
Trade and other payables (Note 38)	-	(13,841,203)	(8,623,934)	-	-	(22,465,137)
Trade and other receivables (Note 24)	-	7,955,971	506,250	10,549,534	-	19,011,755
<b>Liquidity Surplus/(Shortfall)</b>	<b>(2,206,937)</b>	<b>(7,259,706)</b>	<b>(12,298,279)</b>	<b>1,131,724</b>	<b>-</b>	<b>(20,633,199)</b>

Part of the liquidity gap relates to the trade and other payables from related parties. Although shown as current, there is no immediate demand to settle.

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**Notes to the Consolidated and Separate Financial Statements**
**7. Fair value information**
**Accounting classification and Fair value measurements**

The table below summarises the carrying amounts and fair values of the financial assets and liabilities.

**Fair value measurement hierarchy for liabilities and assets as at 31 December 2025 and 2024:**

Group	Note	Carrying Amount			Fair Value					
		Fair Value - Through PorL	Financial Assets Measured at Amortised Cost	Fair Value - Through OCI	Total	Amortized Cost	Level 1	Level 2	Level 3	Total
<b>31 December 2025</b>										
<b>Amounts in (N'000)</b>										
<b>Financial Assets Measured at Fair Value</b>										
Investment in financial asset	22.	-	-	3,689,079	3,689,079	-	2,389,004	-	1,300,075	3,689,079
		-	-	3,689,079	3,689,079	-	2,389,004	-	1,300,075	3,689,079
<b>Financial Assets not Measured at Fair Value</b>										
Trade and other receivables	24.	-	7,439,893	-	7,439,893	7,439,893	-	-	-	7,439,893
Cash and bank balances	26.	-	16,959,276	-	16,959,276	16,959,276	-	-	-	16,959,276
		-	24,399,169	-	24,399,169	24,399,169	-	-	-	24,399,169
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	33.	-	10,518,288	-	10,518,288	10,518,288	-	-	-	10,518,288
Deposit for shares	36.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	38.	-	24,448,050	-	24,448,050	24,448,050	-	-	-	24,448,050
		-	37,376,338	-	37,376,338	37,376,338	-	-	-	37,376,338
<b>Group</b>										
<b>31 December 2024</b>										
<b>Amounts in (N'000)</b>										
<b>Financial Assets Measured at Fair Value</b>										
	22.	-	-	2,305,075	2,305,075	-	2,005,000	-	300,075	2,305,075
		-	-	2,305,075	2,305,075	-	2,005,000	-	300,075	2,305,075
<b>Financial Assets not Measured at Fair Value</b>										
Trade and other receivables	24.	-	4,802,827	-	4,802,827	4,802,827	-	-	-	4,802,827
Cash and bank balances	26.	-	8,595,596	-	8,595,596	8,595,596	-	-	-	8,595,596
		-	13,398,423	-	13,398,423	13,398,423	-	-	-	13,398,423
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	33.	-	16,085,039	-	16,085,039	16,085,039	-	-	-	16,085,039
Deposit for shares	36.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	38.	-	22,499,151	-	22,499,151	22,499,151	-	-	-	22,499,151
		-	40,994,190	-	40,994,190	40,994,190	-	-	-	40,994,190

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**Notes to the Consolidated and Separate Financial Statements**
**7. Fair value information**
**Company**

31 December 2025 Amounts in (N'000)	Note	Fair Value - Through PorL	Financial Assets		Total	Amortized Cost	Level 1	Level 2	Level 3	Total
			Measured at Amortised Cost	Fair Value - Through OCI						
<b>Non-Financial Assets Measured at Fair Value</b>										
Investment Property	20.	2,816,000	-	-	2,816,000	-	-	2,816,000	-	2,816,000
		2,816,000	-	-	2,816,000	-	-	2,816,000	-	2,816,000
<b>Financial Assets Measured at Fair Value</b>										
Investment in financial asset	22.	-	-	3,689,079	3,689,079	-	2,389,004	-	1,300,075	3,689,079
		-	-	3,689,079	3,689,079	-	2,389,004	-	1,300,075	3,689,079
<b>Financial Assets not Measured at Fair Value</b>										
Trade and other receivables	24.	-	17,535,039	-	17,535,039	17,535,039	-	-	-	17,535,039
Cash and bank balances	26.	-	16,916,133	-	16,916,133	16,916,133	-	-	-	16,916,133
		-	34,451,172	-	34,451,172	34,451,172	-	-	-	34,451,172
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	33.	-	10,518,288	-	10,518,288	10,518,288	-	-	-	10,518,288
Trade and other payables	38.	-	24,424,552	-	24,424,552	24,424,552	-	-	-	24,424,552
		-	34,942,840	-	34,942,840	34,942,840	-	-	-	34,942,840

**Company**

31 December 2024 Amounts in (N'000)										
<b>Non-Financial Assets Measured at Fair Value</b>										
Investment Property	20.	1,843,000	-	-	1,843,000	-	-	1,843,000	-	1,843,000
		1,843,000	-	-	1,843,000	-	-	1,843,000	-	1,843,000
<b>Financial Assets Measured at Fair Value</b>										
Investment in financial asset	22.	-	-	2,305,075	2,305,075	-	2,005,000	-	300,075	2,305,075
		-	-	2,305,075	2,305,075	-	2,005,000	-	300,075	2,305,075
<b>Financial Assets not Measured at Fair Value</b>										
Trade and other receivables	24.	-	13,860,272	-	13,860,272	13,860,272	-	-	-	13,860,272
Cash and bank balances	26.	-	8,542,123	-	8,542,123	8,542,123	-	-	-	8,542,123
		-	22,402,395	-	22,402,395	22,402,395	-	-	-	22,402,395
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	33.	-	16,085,039	-	16,085,039	16,085,039	-	-	-	16,085,039
Trade and other payables	38.	-	22,465,137	-	22,465,137	22,465,137	-	-	-	22,465,137
		-	38,550,176	-	38,550,176	38,550,176	-	-	-	38,550,176

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 7. Fair value information (continued)

##### Fair value hierarchy

The table above analyzes assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the year.

Valuation processes applied by the Group

The following fair valuation methods and assumptions were used:

- Cash & cash equivalents represent cash held in various bank accounts at the end of the year. The fair value of this amount is the carrying amount.
- Trade and Other receivables: represent amount due from third parties and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Investment property represents land assets in Port Harcourt owned 100% by the Group and is revalued annually by expert estate valuers using level 2 inputs. The carrying amount is the fair value of the assets.
- Trade payable: represent amount payable to vendors and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Borrowings represent loans from third party institutions at market interest rates which have varying tenors in line with each loan agreement. The fair values of these balances are their carrying amount.
- Other liabilities: are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 8. Interests in Subsidiaries including Consolidated Structure Entities

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Name	Principal activities	Country of incorporation	% equity interest	
			2025	2024
Transcorp Hotels Port Harcourt Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Ikoyi Limited	Hospitality	Nigeria	58	58
Aura by Transcorp Hotels Limited	Hospitality	Nigeria	60	60

#### Investment in subsidiaries

Name	2025	2024
	₦'000	₦'000
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
Aura by Transcorp Hotels Limited	60	60
	<b>21,220</b>	<b>21,220</b>

#### The Holding Company

The immediate and ultimate holding company of Transcorp Hotels Plc is Transnational Corporation Plc which is based and listed in Nigeria.

#### Entity with significant influence over the Group

Ministry of Finance Incorporated owns 11.04% of the ordinary shares of Transcorp Hotels Plc (2024: 11.04%).

#### Non-controlling interest

- Heirs Holdings Ltd owns 42% of the ordinary shares of Transcorp Hotels Ikoyi Limited (2024: 42%).
- Transnational Corporation Plc. and Heirs Holdings Ltd own 20% each of the ordinary shares of Aura by Transcorp Hotels Limited (2024: 20% each)

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**
**8. Interests in Subsidiaries including Consolidated Structure Entities (cont'd)**
**Condensed result of subsidiaries (cont'd)**
**Transcorp Hotels Calabar Limited**

	-	Up to 29 February 2024
<b>The statement of profit or loss and other comprehensive income:</b>	-	N'000
Revenue from contract with customers		192,599
Cost of sales		(82,914)
<b>Gross profit</b>		<b>109,685</b>
Operating expenses		(166,674)
Operating (loss)		<b>(56,989)</b>
Finance cost		(4,665)
<b>(Loss) before tax</b>		<b>(61,654)</b>
Income tax expense		-
<b>(Loss) for the year</b>		<b>(61,654)</b>

**Condensed result of subsidiaries - Continued**
**Transcorp Hotels Calabar Limited**

	-	Up to 29 February 2024
<b>The statement of financial position:</b>	-	N'000
<b>Assets:</b>		
Property, plant and equipment		1,603,165
Intangible assets		87
Current assets		232,551
<b>Total assets</b>		<b>1,835,803</b>
<b>Equity and liabilities:</b>		
Issued capital		7,690
Share premium		1,342,310
Retained earnings		(436,270)
<b>Total equity</b>		<b>913,730</b>
Current liabilities		922,073
<b>Total equity and liabilities</b>		<b>1,835,803</b>

The comparative condensed financial statement of Transcorp Hotels Calabar Limited has been presented up to 29 February 2024, which represent the date of the disposal of the subsidiary.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

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**Notes to the Consolidated and Separate Financial Statements**
**8. Interests in Subsidiaries including Consolidated Structure Entities (cont'd)**
**Condensed result of subsidiaries (cont'd)**

<b>Aura by Transcorp Hotels Limited</b>		
<b>The statement of profit or loss and other comprehensive income:</b>	<b>2025</b>	<b>2024</b>
	<b>N'000</b>	<b>N'000</b>
Revenue from contract with customers	1,573	11,573
Other income/(expense)	12	13,397
Operating expenses	(26,055)	(131,352)
<b>Loss before tax</b>	<b>(24,470)</b>	<b>(106,382)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(24,470)</b>	<b>(106,382)</b>
<b>The statement of financial position:</b>		
<b>Assets:</b>		
Property, plant and equipment	421	2,741
Intangible assets	21,278	31,207
Current assets	49,749	59,903
<b>Total assets</b>	<b>71,448</b>	<b>93,851</b>
<b>Equity and liabilities:</b>		
Issued capital	100	100
Share premium	-	-
Accumulated Loss	(498,300)	(473,829)
<b>Total equity</b>	<b>(498,200)</b>	<b>(473,729)</b>
Current liabilities	569,648	567,580
<b>Total equity and liabilities</b>	<b>71,448</b>	<b>93,851</b>

**Condensed result of subsidiaries - Continued**

<b>Transcorp Hotels Port Harcourt Limited</b>		
<b>The statement of profit or loss and other comprehensive income:</b>	<b>2025</b>	<b>2024</b>
	<b>N'000</b>	<b>N'000</b>
Revenue from contract with customers	-	-
Cost of sales	-	-
<b>Gross profit</b>	<b>-</b>	<b>-</b>
Operating expenses	(14,449)	(7,804)
<b>Loss before tax</b>	<b>(14,449)</b>	<b>(7,804)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(14,449)</b>	<b>(7,804)</b>

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

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**Notes to the Consolidated and Separate Financial Statements**
**8. Interests in Subsidiaries including Consolidated Structure Entities (cont'd)**
**Condensed result of subsidiaries (cont'd)**
**Transcorp Hotels Port Harcourt Limited**

**The statement of financial position:**

	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>

<b>Assets:</b>		
Property, plant and equipment	640,343	640,343
Right of use asset	41,808	48,341
Current assets	10,000	10,000
<b>Total assets</b>	<b>692,151</b>	<b>698,684</b>

<b>Equity and liabilities:</b>		
Issued capital	10,000	10,000
Share premium	10,000	10,000
Accumulated Loss	(111,043)	(96,594)
<b>Total equity</b>	<b>(91,043)</b>	<b>(76,594)</b>
Non-current liabilities	-	-
Current liabilities	783,194	775,278
<b>Total equity and liabilities</b>	<b>692,151</b>	<b>698,684</b>

**Transcorp Hotels Ikoyi Limited**

**The statement of profit or loss and other comprehensive income:**

	<b>2025</b>	<b>2024</b>
	<i>N'000</i>	<i>N'000</i>

Revenue from contract with customers	-	-
Cost of sales	-	-
<b>Gross profit</b>	<b>-</b>	<b>-</b>
Rental Income	-	-
Operating expenses	(20,716)	(12,802)
<b>Loss before tax</b>	<b>(20,716)</b>	<b>(12,802)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(20,716)</b>	<b>(12,802)</b>

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**8. Interests in Subsidiaries including Consolidated Structure Entities (cont'd)**
**Condensed result of subsidiaries (cont'd)**

<b>Transcorp Hotels Ikoyi Limited</b>		
<b>The statement of financial position:</b>	<b>2025</b>	<b>2024</b>
	<b>N'000</b>	<b>N'000</b>
<b>Assets:</b>		
Property, plant and equipment	11,864,807	10,827,108
Current assets	2,000	2,000
<b>Total assets</b>	<b>11,866,807</b>	<b>10,829,108</b>
<b>Equity and liabilities:</b>		
Issued capital	2,000	2,000
Accumulated Loss	(57,487)	(36,771)
<b>Total equity</b>	<b>(55,487)</b>	<b>(34,771)</b>
Non-current liabilities	-	-
Current liabilities	11,922,294	10,863,879
<b>Total equity and liabilities</b>	<b>11,866,807</b>	<b>10,829,108</b>

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>9 Revenue</b>				
Rooms	63,104,673	45,597,829	63,104,673	45,597,829
Food and beverages	29,007,495	22,188,617	29,007,495	22,188,617
Event centre hall rental	1,612,900	-	1,612,900	-
Service Charge	536,772	305,756	536,772	305,756
Shop Rental	1,787,286	1,575,361	1,787,286	1,575,361
Accommodation and experiences	1,573	11,573	-	-
Recreation Service	392,725	249,203	392,725	249,203
Secretarial Service	94,032	131,903	94,032	131,903
Other operating revenue	500,722	74,183	500,722	74,183
<b>Total revenue</b>	<b>97,038,178</b>	<b>70,134,425</b>	<b>97,036,605</b>	<b>70,122,852</b>

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**Notes to the Consolidated and Separate Financial Statements**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000

**10 Cost of sales**

Rooms	7,244,900	7,068,437	7,244,900	7,068,437
Food and beverages	14,962,285	12,675,995	14,962,285	12,675,995
Other operating costs	427,757	670,450	427,757	670,450
<b>Total cost of sales</b>	<b>22,634,942</b>	<b>20,414,882</b>	<b>22,634,942</b>	<b>20,414,882</b>

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000

**11 Other operating income**

Gain on disposal of property, plant and equipment	42,574	29,263	42,574	28,538
Change in fair value of investment property (Note 20)	-	-	973,000	102,451
Key money (Note 35.2)	152,825	152,825	152,825	152,825
Deferred income (Note 34)	448,077	449,304	448,077	449,304
Net unrealised foreign exchange (loss)/gain	(263,650)	3,882,773	(263,650)	3,882,773
Net realised foreign exchange gain	5,598	702,034	5,598	702,034
Other operating income	118,267	197,030	118,255	184,358
<b>Total net other operating income</b>	<b>503,691</b>	<b>5,413,229</b>	<b>1,476,679</b>	<b>5,502,283</b>

**12 Impairment losses on financial assets**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Trade receivables	19,618	28,546	19,619	28,546
Receivables from related parties	(36,209)	40,628	(25,363)	279,184
Receivables from related parties (long term receivables)	-	-	32,546	18,388
	(16,591)	69,174	26,802	326,118

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**Notes to the Consolidated and Separate Financial Statements**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Advertising	2,103,923	1,586,109	2,103,923	1,569,791
Amortisation (Note 21)	47,425	42,403	37,496	32,939
Auditors' remuneration	96,746	83,530	83,340	70,700
Bank commission and charges	1,178,673	1,050,593	1,178,569	1,050,541
Consulting and professional fees**	120,423	186,184	110,270	173,655
Depreciation (Note 19)	3,371,542	2,589,053	3,369,223	2,587,441
Directors' remuneration	510,560	282,616	510,560	282,616
Donations	15,969	15,935	15,969	15,935
Employee costs	5,636,249	4,725,196	5,633,922	4,682,154
Energy cost	5,008,538	4,762,505	5,008,538	4,762,505
Group services and benefits	2,051,610	1,531,570	2,051,610	1,531,570
Insurance	1,092,261	928,057	1,092,261	928,010
IT expenses	495,266	388,164	494,937	387,826
Licenses, fees and rates	62,816	38,174	62,816	38,174
Management fees *	10,962,036	4,776,133	10,962,036	4,776,133
Medical expenses	82,450	62,750	82,450	62,750
Other expenses	2,493,101	1,917,992	2,480,795	1,869,637
Printing and Stationery	44,208	48,655	44,208	48,655
Repairs and maintenance	3,459,444	3,591,992	3,459,444	3,591,992
Security	201,885	130,093	195,761	126,170
Travel, logistics and accommodation	646,693	296,741	646,693	296,741
<b>Total operating expenses</b>	<b>39,681,818</b>	<b>29,034,445</b>	<b>39,624,821</b>	<b>28,885,935</b>

**13a. Management fees**

\*Management fees are made up of base management fees payable to Hilton International at 1.5% of revenue, incentive fees based on an accelerated rate schedule applied on gross operating profit, and technical service fee payable to Transnational Corporation Plc at 5% of revenue.

The fees to Hilton are specified in the executed management agreement between Transcorp Hotels Plc and Hilton International for the provision of Hotel Management and other related services to the Company. Similarly, there exists a Technical Service Agreement between Transcorp Hotels Plc and Transnational Corporation Plc.

**13b. Non-audit services**

\*\*Included in consulting and professional fees is N15.05mn (2024:N10.75mn) relating to the non-audit services rendered by the auditors, Deloitte & Touche, during the year. In line with the Guidance on the Implementation of Sections 60 – 63 of The Investments and Securities Act\_2007, Deloitte carried out attestation exercise over the Company's internal controls over financial reporting.

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**14 Employee cost**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Direct Employee Costs</b>				
Wages and salaries	4,893,589	4,502,768	4,893,589	4,502,768
Other long-term employee costs	9,483	4,889	9,483	4,889
Pension costs	155,112	122,768	155,112	122,768
	<b>5,058,184</b>	<b>4,630,425</b>	<b>5,058,184</b>	<b>4,630,425</b>
	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Indirect Employee Costs</b>				
Wages and salaries	5,451,884	4,552,709	5,449,557	4,509,977
Other long-term employee costs	10,281	5,301	10,281	5,301
Pension costs	174,084	167,186	174,084	166,876
	<b>5,636,249</b>	<b>4,725,196</b>	<b>5,633,922</b>	<b>4,682,154</b>
<b>Total employee benefits expense</b>	<b>10,694,433</b>	<b>9,355,621</b>	<b>10,692,106</b>	<b>9,312,579</b>
	Group		Company	
Average number of persons employed during the year	2025	2024	2025	2024
Staff numbers per grade	Number	Number	Number	Number
Managerial	24	23	24	24
Senior staff	250	235	250	234
Others	1,277	1,090	1,277	1,090
	<b>1,551</b>	<b>1,348</b>	<b>1,551</b>	<b>1,348</b>
N360,000- N500,000	207	57	207	57
N500,001-N1,000,000	10	12	10	12
N1,000,001-N2,000,000	50	37	50	37
N2,000,001-N4,000,000	254	561	254	561
N4,000,001- N5,000,000	302	1	302	1
Above N5,000,000	728	680	728	680
	<b>1,551</b>	<b>1,348</b>	<b>1,551</b>	<b>1,348</b>

**TRANSCORP HOTELS PLC**

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For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**
**14.1 Compensation of Managers**

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Salaries and other short-term employee benefits	920,714	546,383	920,714	546,383
Defined contributions	33,722	23,798	33,722	23,798
	<u>954,436</u>	<u>570,181</u>	<u>954,436</u>	<u>570,181</u>

Managers exclude Directors (Executive and Non-Executive). The compensation paid or payable to Managers for services is as shown above.

The number of Managers of the Group (including the highest paid Manager) whose remuneration, excluding pension contributions, in respect of services to the Group is within the following range:

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
Below N10,000,000	-	-	-	-
Above N10,000,000	24	23	24	23
	<u>24</u>	<u>23</u>	<u>24</u>	<u>23</u>

**15 Finance costs/ income**

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
<b>15.1 Finance costs</b>				
Interest on debts and borrowings	1,740,091	2,798,384	1,740,091	2,798,384
Interest on Intercompany loan payables	1,927,697	1,420,289	1,927,697	1,420,289
Interest cost from actuarial valuation (Note 37)	79,991	35,746	79,991	35,746
Other finance cost	92,564	92,564	92,564	92,564
	<u>3,840,343</u>	<u>4,346,983</u>	<u>3,840,343</u>	<u>4,346,983</u>
<b>Less: Capitalised borrowing cost</b>	(101,148)	(335,918)	(101,148)	(335,918)
<b>Total finance costs</b>	<u>3,739,195</u>	<u>4,011,065</u>	<u>3,739,195</u>	<u>4,011,065</u>

## TRANSCORP HOTELS PLC

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For the year ended 31 December 2025

### Notes to the Consolidated and Separate Financial Statements

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>15.2 Finance income</b>				
Interest on bank deposits	574,916	3,350	574,916	3,350
Interest on intercompany loan receivables	714,023	577,187	714,023	577,187
Interest on unclaimed dividend invested	26,190	14,009	26,190	14,009
<b>Total finance income</b>	<b>1,315,129</b>	<b>594,546</b>	<b>1,315,129</b>	<b>594,546</b>

### 16 Profit before tax

Profit before taxation is stated after charging:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Amortisation (Note 13)	47,425	42,403	37,496	32,939
Depreciation (Note 13)	3,371,542	2,589,053	3,369,223	2,587,441
Auditors' remuneration (Note 13)	96,746	83,530	83,340	70,700
Exchange losses/(gains) (Note 11)	258,052	(4,584,807)	258,052	(4,584,807)

### 17. Income Tax

The major components of income tax expense for the year ended 31 December 2025 and 2024 are:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Current Income Tax:</b>				
Current income tax	4,000,450	2,286,160	4,000,450	2,286,160
Capital gain tax	-	1,128	-	1,128
Police trust fund levy	1,690	-	1,690	-
Tertiary education tax charge	1,173,801	683,279	1,173,801	683,279
	5,175,941	2,970,567	5,175,941	2,970,567
<b>Deferred tax:</b>				
Originating and reversing temporary differences	5,789,571	4,746,206	5,789,571	4,746,206
<b>Tax expense in the statement of profit or loss</b>	<b>10,965,512</b>	<b>7,716,773</b>	<b>10,965,512</b>	<b>7,716,773</b>

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**17. Income Tax (cont'd)**

Reconciliation of tax expense	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Accounting profit before income tax	32,817,634	22,612,634	33,802,653	22,581,680
At Nigeria's statutory income tax rate of 30% (2024: 30%)	9,845,290	6,783,790	10,140,796	6,774,504
<b>Tax effect of adjustments on taxable income</b>				
Capital gain tax	-	1,128	-	1,128
Police trust fund levy	1,690	-	1,690	-
Education tax	1,173,801	683,279	1,173,801	683,279
Deferred education tax	(95,209)	87,000	(95,209)	87,000
Non-deductible expenses	77,505	326,144	77,505	326,144
Non-allowable income	(138,471)	(134,791)	(138,471)	(134,791)
Adjustments upon consolidation-losses from subsidiaries	295,506	(40,022)	-	-
Fair value adjustment	(291,900)	-	(291,900)	(30,735)
Capital gain tax on investment property	97,300	10,245	97,300	10,245
	<b>10,965,512</b>	<b>7,716,773</b>	<b>10,965,512</b>	<b>7,716,773</b>

Current tax payable	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
As of 1 January	3,067,783	1,543,851	3,067,743	1,543,811
Income tax expense during the year	5,175,941	2,970,567	5,175,941	2,970,567
Payment during the year	(2,970,568)	(1,446,635)	(2,970,568)	(1,446,635)
	<b>5,273,156</b>	<b>3,067,783</b>	<b>5,273,116</b>	<b>3,067,743</b>

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 (as amended) and the Education Tax Act, CAP E4, LFN 2004 (as amended).

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**17.1 Deferred tax**

Deferred tax relates to the following:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Deferred tax liability	18,177,938	12,361,948	18,177,938	12,361,948
<b>Total Net Deferred Tax Liability</b>	<b>18,177,938</b>	<b>12,361,948</b>	<b>18,177,938</b>	<b>12,361,948</b>

Deferred tax relates to the following:	Group			
	Statement of financial position		Statement of profit or loss	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Property, plant and equipment	18,455,879	11,619,010	6,836,869	3,789,208
Expected credit losses on debt financial assets	(125,410)	(749,140)	623,730	(324,318)
Exchange difference	(87,004)	1,584,024	(1,671,028)	1,281,316
<b>Deferred tax expense- profit or loss statement</b>			<b>5,789,571</b>	<b>4,746,206</b>
<b>Add:</b>				
Net actuarial gain in OCI	(65,527)	(91,946)	26,419	(73,304)
<b>Total deferred tax expense</b>			<b>5,815,990</b>	<b>4,672,902</b>
<b>Net deferred tax liabilities</b>	<b>18,177,938</b>	<b>12,361,948</b>		

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**17.1 Deferred tax (cont'd)**

	Company			
	Statement of financial position		Statement of profit or loss	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Property, plant and equipment	18,405,479	11,572,110	6,833,369	3,778,963
Investment Property	50,400	46,900	3,500	10,245
Expected credit losses on debt financial assets	(125,410)	(749,140)	623,730	(324,318)
Exchange difference	(87,004)	1,584,024	(1,671,028)	1,281,316
<b>Deferred tax expense- profit or loss statement</b>			<b>5,789,571</b>	<b>4,746,206</b>
Net actuarial gain in OCI	(65,527)	(91,946)	26,419	(73,304)
<b>Total deferred tax expense</b>			<b>5,815,990</b>	<b>4,672,902</b>
<b>Net deferred tax liabilities</b>	<b>18,177,938</b>	<b>12,361,948</b>		
	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Reconciliation of deferred tax liabilities, net</b>				
As of 1 January	12,361,948	7,689,046	12,361,948	7,689,046
Tax expense for the year	5,815,990	4,672,902	5,815,990	4,672,902
	<b>18,177,938</b>	<b>12,361,948</b>	<b>18,177,938</b>	<b>12,361,948</b>

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**18. Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Group		Company	
	31 Dec 2025 N'000	31 Dec 2024 N'000	31 Dec 2025 N'000	31 Dec 2024 N'000
Profit attributable to ordinary equity holders of the parent for basic earnings	21,870,611	14,943,791	22,837,141	14,864,908
	<b>Thousands</b>	<b>Thousands</b>	<b>Thousands</b>	<b>Thousands</b>
Weighted number of shares at the end of the year	10,242,528	10,242,528	10,242,528	10,242,528
Basic Earnings per share (Kobo)	214	146	223	145
Diluted Earnings per share (Kobo)	214	146	223	145

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

**TRANSCORP HOTELS PLC**

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For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**
**19 Property, plant and equipment**

Group							
	Freehold Land	Building	Plant & Machinery	Computer & Office Equipment	Motor Vehicle	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost</b>							
1-January-2024	39,545,157	49,596,677	5,064,310	18,367,568	398,264	10,902,945	123,874,921
Additions	-	359,726	227,790	1,850,378	-	9,789,985	12,227,879
Interest cost capitalised in the year	-	-	-	-	-	335,918	335,918
Disposal	-	-	(74,240)	(20,090)	(15,890)	-	(110,220)
31-December-2024	39,545,157	49,956,403	5,217,860	20,197,856	382,374	21,028,848	136,328,498
Additions	-	72,264	1,147,781	2,317,412	1,496,506	5,403,332	10,437,295
Interest cost capitalised in the year	-	-	-	-	-	101,148	101,148
Reclassification	-	7,733,709	4,887,637	1,844,441	-	(14,465,787)	-
Write-off*	-	-	-	-	-	(85,655)	(85,655)
Disposal	-	-	(7,570)	(141,559)	(61,448)	-	(210,577)
31-December-2025	39,545,157	57,762,376	11,245,708	24,218,150	1,817,432	11,981,886	146,570,709
<b>Accumulated depreciation</b>							
1 January 2024	-	7,529,528	2,324,071	5,905,327	301,674	-	16,060,600
Depreciation for the year	-	1,052,138	227,920	1,270,053	38,942	-	2,589,053
Disposals	-	-	(74,240)	(19,476)	(15,890)	-	(109,606)
31-December-2024	-	8,581,666	2,477,751	7,155,904	324,726	-	18,540,047
Depreciation for the year	-	1,344,936	337,036	1,595,872	93,698	-	3,371,542
Disposals	-	-	(7,570)	(140,452)	(50,093)	-	(198,115)
31-December-2025	-	9,926,602	2,807,217	8,611,324	368,331	-	21,713,474
<b>Net book value</b>							
At 31 December 2025	39,545,157	47,835,774	8,438,491	15,606,826	1,449,101	11,981,886	124,857,235
At 31 December 2024	39,545,157	41,374,737	2,740,109	13,041,952	57,648	21,028,848	117,788,451

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**19 Property, plant and equipment (cont'd)**

In line with IAS 40 (Investment Property), the investment property occupied by Transcorp Hotels Port Harcourt Limited (subsidiary of the Group) has been reclassified to property, plant and equipment upon consolidation.

\* The write-off consists of items included in the Capital Work in Progress, with regards to event centre construction. At capitalisation, these items were expensed as they do not meet the criteria for capitalisation.

Company	Freehold Land N'000	Building N'000	Plant & Machinery N'000	Computer & Office Equipment N'000	Motor Vehicle N'000	Capital work in progress N'000	Total N'000
<b>1-January-2024</b>	30,872,625	49,596,677	5,064,310	18,361,022	398,264	6,301,347	110,594,245
Additions	-	359,726	227,790	1,849,033	-	9,522,905	11,959,454
Interest cost capitalised in the year	-	-	-	-	-	335,918	335,918
Disposal	-	-	(74,240)	(18,751)	(15,890)	-	(108,881)
<b>31-December-2024</b>	30,872,625	49,956,403	5,217,860	20,191,304	382,374	16,160,170	122,780,736
Additions	-	72,264	1,147,781	2,317,412	1,496,506	4,365,633	9,399,596
Interest cost capitalised in the year	-	-	-	-	-	101,148	101,148
Reclassification	-	7,733,709	4,887,637	1,844,441	-	(14,465,787)	-
Write-off	-	-	-	-	-	(85,655)	(85,655)
Disposal	-	-	(7,570)	(141,559)	(61,448)	-	(210,577)
<b>31-December-2025</b>	30,872,625	57,762,376	11,245,708	24,211,598	1,817,432	6,075,509	131,985,248
<b>Accumulated depreciation</b>							
<b>1 January 2024</b>	-	7,529,528	2,324,071	5,902,403	301,674	-	16,057,676
Depreciation for the year	-	1,052,138	227,920	1,268,441	38,942	-	2,587,441
Disposals	-	-	(74,240)	(18,751)	(15,890)	-	(108,881)
<b>31-December-2024</b>	-	8,581,666	2,477,751	7,152,093	324,726	-	18,536,236
Depreciation for the year	-	1,344,936	337,036	1,593,553	93,698	-	3,369,223
Disposals	-	-	(7,570)	(140,452)	(50,093)	-	(198,115)
<b>31-December-2025</b>	-	9,926,602	2,807,217	8,605,194	368,331	-	21,707,344
<b>Net book value</b>							
<b>At 31 December 2025</b>	30,872,625	47,835,774	8,438,491	15,606,404	1,449,101	6,075,509	110,277,904
<b>At 31 December 2024</b>	30,872,625	41,374,737	2,740,109	13,039,211	57,648	16,160,170	104,244,500

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**Notes to the Consolidated and Separate Financial Statements**

**19 Property, plant and equipment (cont'd)**

**Property, plant and equipment encumbered as security**

As at 31 December 2025, there is negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings.

**Impairment and reversal of impairment**

No impairment loss nor reversal was recognised in the current year (2024: Nil).

**Capital commitment**

As at 31 December 2025, the Group had nil Capital commitment on the Transcorp Centre construction project (2024: N1.5bn).

**Capital work in progress**

Capital work in progress comprises mainly building under construction that are not yet in location or condition for use during the year.

**20 Investment property**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Opening balance at 1 January	-	-	1,843,000	1,740,549
Net gain from fair value remeasurement	-	-	973,000	102,451
	-	-	2,816,000	1,843,000

**Details of Property**

Investment properties relate to the 2,409.51 square metres of land at Ikegwere street, Oromeruezingbu Village, Port Harcourt, Rivers State, Nigeria and 10,141.27 square metres of bare land at Evo Road, GRA Phase II, Port Harcourt, Rivers State.

As at 31 December 2025, the fair values of the properties are based on valuations performed by Chief Chinedu James Oporum, FNIVS with FRC/2014/PRO/NIESV/004/00000009134 from Oporum & Partners (Estate Surveyors & Valuers), an accredited independent valuer, FRC/2025/COY/614535, and a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

This investment property is occupied by Transcorp Hotels Port Harcourt Limited (a subsidiary of the Group). In line with IAS 40, this investment property has been reclassified to property plant and equipment in the consolidated financial statements.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## TRANSCORP HOTELS PLC

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### Notes to the Consolidated and Separate Financial Statements

#### 20 Investment property (cont'd)

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

Fair value hierarchy disclosures for investment properties are in Note 7.

#### Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2025	2024
Land at Ikegwere street, Port Harcourt - comparison method (refer below)	Average land value per square meter	156,046	139,000
Land at Evo Road, GRA- comparison method (refer below)	Average land value per square meter	240,603	139,000

#### Details of Valuation

This valuation is based on physical inspection of the condition, qualities, features and characteristics of the property. Hence, because of the nature of the property and purpose of the valuation, Direct Market Comparison method of Valuation was adopted.

The market survey around the subject property was carried out.

Significant increases (decreases) in estimated land value in isolation would result in a significantly higher (lower) fair value of the properties.

There has been no change in the valuation techniques during the year.

#### 21 Intangible assets

	Computer Software	
	Group	Company
	N'000	N'000
<b>Cost</b>		
At 1 January 2024	398,518	353,518
Additions	60,567	55,709
<b>At 31 December 2024</b>	<b>459,085</b>	<b>409,227</b>
Additions	128,110	128,110
Disposal	-	-
<b>At 31 December 2025</b>	<b>587,195</b>	<b>537,337</b>
<b>Amortisation</b>		
At 1 January 2024	258,917	249,730
Amortisation	42,403	32,939
<b>At 31 December 2024</b>	<b>301,320</b>	<b>282,669</b>
Amortisation	47,425	37,496
Disposal	-	-
<b>At 31 December 2025</b>	<b>348,745</b>	<b>320,165</b>
<b>Net book value</b>		
<b>At 30 December 2025</b>	<b>238,450</b>	<b>217,172</b>
<b>At 31 December 2024</b>	<b>157,765</b>	<b>126,558</b>

Computer software consists of acquisition costs of software used in the day-to-day operations of the Group.

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**Notes to the Consolidated and Separate Financial Statements**
**22 Other investment**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Equity instrument (Unquoted)*	300,075	300,075	300,075	300,075
Investment in shares(Quoted)**	2,005,000	5,000	2,005,000	5,000
Other investment ***	1,000,000	2,000,000	1,000,000	2,000,000
	<b>3,305,075</b>	<b>2,305,075</b>	<b>3,305,075</b>	<b>2,305,075</b>
Fair value gain on investment(measured through OCI)	384,004	-	384,004	-
	<b>3,689,079</b>	<b>2,305,075</b>	<b>3,689,079</b>	<b>2,305,075</b>

\*The equity instrument represents a purchase of 7.5% of the 2,000,000 ordinary share capital (equivalent to N300,075,000) of Jeolan International Ltd. The shares have been fully allotted.

\*\*Shares investment (57,359,050 units held) in United Bank for Africa Plc purchased at an arm's length in the open market.

\*\*\*Deposit for shares through right issues N1,000,000,000 relates to payment for additional shares (United Bank for Africa's rights issues offering 1 new share for every 13 held at N50 per share ) yet to be allotted as at year end.

**23 Inventories**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Food and beverage	248,131	378,854	248,131	378,854
Fuel	177,017	200,622	177,017	200,622
Guest supplies	204,191	210,875	204,191	210,875
	<b>629,339</b>	<b>790,351</b>	<b>629,339</b>	<b>790,351</b>

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**Notes to the Consolidated and Separate Financial Statements**
**24 Trade and other receivables**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Financial Instruments:</b>				
Trade receivables	3,495,984	2,095,808	3,495,978	2,095,802
Receivables from subsidiaries*	-	-	10,213,529	9,143,284
Receivables from other related parties	4,020,117	2,799,817	4,543,446	3,312,299
Provision for impairment on trade receivables (Note 24.1, 24.2 & 24.3)	(76,208)	(92,798)	(717,914)	(691,113)
	<b>7,439,893</b>	<b>4,802,827</b>	<b>17,535,039</b>	<b>13,860,272</b>
<b>Non-Financial Instruments:</b>				
Deposits and advances	921,868	1,101,686	921,868	1,101,686
Withholding tax receivables	558,610	499,729	558,610	499,729
Receivables from the disposal of subsidiary**	1,856,250	2,081,250	1,856,250	2,081,250
Other receivables	1,851,263	784,862	1,844,061	777,705
<b>Total Trade and Other Receivables</b>	<b>12,627,884</b>	<b>9,270,354</b>	<b>22,715,828</b>	<b>18,320,642</b>
Current	10,996,634	7,414,104	10,989,428	7,406,941
Non-current	1,631,250	1,856,250	11,726,400	10,913,701
<b>Total Trade and Other Receivables</b>	<b>12,627,884</b>	<b>9,270,354</b>	<b>22,715,828</b>	<b>18,320,642</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Deposits and advances include amounts paid in advance to suppliers for goods to be delivered in the near future. It also includes employee advances for operating expenses which will be retired after the related purchases.

Other receivables generally arise from transactions outside the provision of hospitality and related activities in the day-to-day operations of the Group. These include advances to contractors, advances to staff, etc. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. All other receivables are due and payable within one year from the end of the reporting year.

\*Receivables from subsidiaries are long term in nature and it relate to accumulation of capital investment and operating expense made on behalf of Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited.

\*\*Receivables from disposal of subsidiary relate to the sales consideration balance, following the completion of the disposal of Transcorp Hotels Calabar Limited.

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**Notes to the Consolidated and Separate Financial Statements**
**24.1 Allowance for expected credit losses**

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>As at 1 January</b>	<b>51,691</b>	<b>23,145</b>	<b>51,691</b>	<b>23,145</b>
Provision for the year	19,620	28,546	19,620	28,546
	<b>71,311</b>	<b>51,691</b>	<b>71,311</b>	<b>51,691</b>

**24.2 Allowance for expected credit losses -subsidiaries**

Set out below is the movement in the allowance for expected credit losses of receivables from related parties (long term):

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>As at 1 January</b>	-	-	85,833	67,445
Provision for expected credit losses	-	-	32,546	18,388
	-	-	<b>118,379</b>	<b>85,833</b>

**24.3 Allowance for expected credit losses - other related parties**

Set out below is the movement in the allowance for expected credit losses of receivables from related parties:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>As at 1 January</b>	41,107	479	553,589	835,907
Provision for expected credit losses	(36,209)	40,628	(25,363)	279,184
Write-off of provision for expected credit losses-Transcorp Hotels Calabar	-	-	-	(561,502)
	<b>4,898</b>	<b>41,107</b>	<b>528,226</b>	<b>553,589</b>

The information about the credit exposures is disclosed in Note 6.

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25	Prepayments	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
		N'000	N'000	N'000	N'000
	Maintenance contracts	507,871	438,771	507,871	438,771
	Insurance and permits	176,654	818,350	176,654	818,350
	Prepaid loan processing fees (BOI loans)	147,361	239,925	147,361	239,925
	Other prepaid expenses	72,767	291,575	72,767	291,575
		<b>904,653</b>	<b>1,788,621</b>	<b>904,653</b>	<b>1,788,621</b>

26	Cash and bank balances	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
		N'000	N'000	N'000	N'000
	Cash on hand	40,702	55,468	40,702	55,468
	Cash at banks	9,260,065	8,198,897	9,216,922	8,145,424
	Short term deposit	7,658,509	341,231	7,658,509	341,231
		<b>16,959,276</b>	<b>8,595,596</b>	<b>16,916,133</b>	<b>8,542,123</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following as at 31st December:

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Cash on hand and at bank	9,300,767	8,254,365	9,257,624	8,200,892
Short term deposit	7,658,509	341,231	7,658,509	341,231
	16,959,276	8,595,596	16,916,133	8,542,123
Bank overdrafts (Note 33)	(1,407,655)	(1,580,428)	(1,407,655)	(1,580,428)
<b>Cash and cash equivalents</b>	<b>15,551,621</b>	<b>7,015,168</b>	<b>15,508,478</b>	<b>6,961,695</b>

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### Notes to the Consolidated and Separate Financial Statements

#### 27. Disposal group classified as held for sale and discontinued operations

On the 5th of February 2024, the Company obtained from the Federal Competition & Consumer Protection Commission (FCCPC) the requisite approval for the divestment of Transcorp Hotels Plc's 100% shares in Transcorp Hotels Calabar Limited. Similarly, the Securities and Exchange Commission (SEC) noted the proposed divestment, in line with the voluntary notification to the Commission.

The disposal was completed on 29th of February 2024, on which date control of Transcorp Hotels Calabar Limited was passed to the acquirer. Details of the assets and liabilities disposed, and the calculation of the profit or loss on disposal, are disclosed in note 28.

The results of the disposal group are summarised as follows;

	Group	
	31 Dec 2025 N'000	31 Dec 2024 N'000
Revenue	-	192,599
Cost of sale	-	(82,914)
<b>Gross profit</b>	<b>-</b>	<b>109,685</b>
Operating expenses	-	(166,674)
<b>Operating loss</b>	<b>-</b>	<b>(56,989)</b>
Net finance income	-	14
<b>Loss before tax</b>	<b>-</b>	<b>(56,975)</b>
Attributable tax expense	-	-
Loss for the year	-	(56,975)
	-	
<b>Gain on the remeasurement and disposal</b>	<b>-</b>	
Gain before tax on disposal (note 28)	-	56,975
	-	
<b>Loss for the year on discontinued operations</b>	<b>-</b>	<b>-</b>

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**27. Disposal group classified as held for sale and discontinued operations (cont'd)**
**Cashflows from discontinued operations**

	Group	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Net cash from operating activities	-	(56,988)
Net cash inflow/(outflow) from investing activities	-	14
Net cash inflow/(outflow) from financing activities	-	-

**28. Disposal of subsidiary**

As referred to in note 27, the group disposed its 100% interest in Transcorp Hotels Calabar Limited.

At the date of disposal, the carrying amounts of Transcorp Hotels Calabar Limited's net assets were as follows;"

	Group	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Investment in subsidiary	-	-
Goodwill	-	963,112
Properties, plant and equipment	-	1,603,165
Intangible assets	-	87
Inventories	-	87,713
Trade and other receivables	-	106,904
Prepayments	-	20,082
Cash and bank balances	-	17,853
<b>Total assets</b>	<b>-</b>	<b>2,798,916</b>
Trade and other payables	-	(349,667)
Tax liabilities	-	(6,224)
<b>Total liabilities</b>	<b>-</b>	<b>(355,891)</b>
<b>Net assets disposed of</b>		<b>2,443,025</b>
<b>Gain/(loss) on disposal</b>		<b>56,975</b>
<b>Total consideration</b>		<b>2,500,000</b>

The gain on disposal is included in the loss for the year from discontinued operations in the consolidated statements of profit or loss. See note 27.

\*The sale consideration will be settled over a period of 10 years. During the year 2025, a total of N225mn (2024: N418.75mn) has been paid, with the balance of N1.86bn (2024:N2.08bn) included in trade and other receivables (see note 24)

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**Notes to the Consolidated and Separate Financial Statements**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Authorised shares</b>				
10,242,528,411 (2024:10,242,528,411) ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
<b>Ordinary shares issued and fully paid</b>				
10,242,528,411 ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
<b>Share premium</b>				
At 1 January	12,548,859	12,548,859	12,548,859	12,548,859
At 31 December	12,548,859	12,548,859	12,548,859	12,548,859

(a) Compliance with Free Float Requirements and Shareholding pattern as at 31st December 2025

**Shareholding Structure/Free Float Status**

Description	2025		2024	
	Units	2025 % Holding	Units	2024 % Holding
Issued Share Capital	10,242,528,411	100%	10,242,528,411	100%
<b>Substantial Shareholdings (5% and above)</b>				
Transnational Corporation Plc	7,800,070,016	76.16%	7,800,070,016	76.16%
Ministry of Finance Incorporated	1,131,165,000	11.04%	1,131,165,000	11.04%
<b>Total Substantial Shareholdings</b>	<b>8,931,235,016</b>	<b>87.20%</b>	<b>8,931,235,016</b>	<b>87.20%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
	2025	2025 % Holding	2024	2024 % Holding
Mr. Emmanuel Nnorom (Indirect - Representing Vine Foods Ltd)	1,000,000	0.01%	1,000,000	0.01%
Mrs Uzoamaka Oshogwe (Direct)	15,000	0.00%	-	0.00%
Dr. (Mrs.) Owen Omogiafo (Direct)	350,000	0.00%	350,000	0.00%
Mr. Peter Elumelu (Direct)	93,097	0.00%	93,097	0.00%
Bolanle Onagoruwa (Direct)	162,031	0.00%	162,031	0.00%
<b>Total Directors' Shareholdings</b>	<b>1,620,128</b>	<b>0.01%</b>	<b>1,605,128</b>	<b>0.01%</b>
<b>Other Influential Shareholdings</b>				
Nil	-	0.00%	-	0.00%
<b>Total Other Influential Shareholdings</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>Free Float in Units and Percentage</b>	<b>1,309,673,267</b>	<b>12.80%</b>	<b>1,309,688,267</b>	<b>12.80%</b>
<b>Free Float in absolute value</b>	<b>223,823,161,330</b>		<b>151,923,838,972</b>	

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### Notes to the Consolidated and Separate Financial Statements

#### 29 Share Capital

##### Declaration:

Transcorp Hotels Plc with a free float value of N223,823,161,330 (Share price:N170.90) as at 31 December 2025, is compliant with The Nigerian Exchange Limited's (NGX) free float requirements for companies listed on the Main Board.

According to the register of members as at 31 December 2025, the shareholding in the Company was as follows:

Range	No. of Holders	Holders %	Units	Unit %
1-999	5,469	74.48%	794,710	0.01%
1,000 - 9,999	1,381	18.81%	3,301,453	0.03%
10,000-99,999	402	5.47%	9,295,411	0.09%
100,000-999,999	72	0.98%	14,627,955	0.14%
1,000,000-9,999,999	10	0.14%	26,622,278	0.26%
10,000,000-99,999,999	2	0.03%	20,761,513	0.20%
100,000,000-999,999,999	5	0.07%	1,235,890,075	12.07%
Above 1,000,000,000	2	0.03%	8,931,235,016	87.20%
<b>Total</b>	<b>7,343</b>	<b>100.00%</b>	<b>10,242,528,411</b>	<b>100.00%</b>

#### 30 Dividend distribution

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>Cash dividends on ordinary shares approved:</b>				
2024 Final Dividend-64kobo per share, 2025 interim Dividend-10kobo per share (2024:Interim Dividend - 10kobo per share)	7,579,471	1,024,253	7,579,471	1,024,253
	<b>7,579,471</b>	<b>1,024,253</b>	<b>7,579,471</b>	<b>1,024,253</b>

#### 31 Retained earnings

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Balance brought forward	63,234,028	49,314,490	62,765,636	48,924,981
Profit for the year attributed to owners	21,870,611	14,943,791	22,837,141	14,864,908
Dividend	(7,579,471)	(1,024,253)	(7,579,471)	(1,024,253)
	<b>77,525,168</b>	<b>63,234,028</b>	<b>78,023,306</b>	<b>62,765,636</b>

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**Notes to the Consolidated and Separate Financial Statements**
**32 Non-controlling interest**

	Group	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Balance brought forward	(198,323)	(150,393)
Non-controlling interest in Transcorp Hotels Ikoyi-42%	(8,701)	(5,377)
Non-controlling interest in Aura by Transcorp Hotels-40%	(9,788)	(42,553)
	<u>(216,812)</u>	<u>(198,323)</u>

**33 Borrowings**

	Interest rate	Maturity	Group		Company	
			31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	%		N'000	N'000	N'000	N'000
N1.5 billion bank overdraft	24.5	14-Mar-26	1,407,655	1,580,428	1,407,655	1,580,428
N2 billion loan	16.75	08-Nov-26	1,038,365	1,978,911	1,038,365	1,978,911
N12.75 billion loan	10.0	31-May-29	7,274,810	9,277,266	7,274,810	9,277,266
N10 billion loan	10.0	06-Mar-26	797,458	3,248,434	797,458	3,248,434
<b>Total interest-bearing loans and borrowings</b>			<b>10,518,288</b>	<b>16,085,039</b>	<b>10,518,288</b>	<b>16,085,039</b>
Current			5,449,642	7,340,166	5,449,642	7,340,166
Non-current			5,068,646	8,744,873	5,068,646	8,744,873
			<b>10,518,288</b>	<b>16,085,039</b>	<b>10,518,288</b>	<b>16,085,039</b>

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### Notes to the Consolidated and Separate Financial Statements

#### 33 Borrowings (cont'd)

##### Bank Overdraft

The Bank Overdraft is secured by a negative pledge on the Company's assets.

##### N2 billion loan

N2 billion term loan with a tenor of 4 years and 24 months moratorium on principal and at interest rate of 16.75%.

##### N12.75 billion loan

N12.75 billion term loan with a tenor of 8 years and 24 months moratorium on principal and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

##### N10 billion loan

N10 billion term loan with a tenor of 7 years and 24 months moratorium on principal and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Loan liability</b>				
As at 1 January	14,504,611	18,905,777	14,504,611	18,905,777
Additions	-	3,405,268	-	3,405,268
Effective interest	1,611,689	2,625,197	1,611,689	2,625,197
Principal repayments	(5,555,070)	(8,101,245)	(5,555,070)	(8,101,245)
Interest repayments	(1,450,597)	(2,330,386)	(1,450,597)	(2,330,386)
	<b>9,110,633</b>	<b>14,504,611</b>	<b>9,110,633</b>	<b>14,504,611</b>
Overdraft	1,407,655	1,580,428	1,407,655	1,580,428
	<b>10,518,288</b>	<b>16,085,039</b>	<b>10,518,288</b>	<b>16,085,039</b>

33.1 The analysis of interest repayment for the purpose of Cash Flow statement is as follows;

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Interest repayment on third party loans (Note 33)	1,450,597	2,330,386	1,450,597	2,330,386
Interest repayment on overdraft	128,403	173,187	128,403	173,187
	<b>1,579,000</b>	<b>2,503,573</b>	<b>1,579,000</b>	<b>2,503,573</b>

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**34. Deferred income**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
At 1 January	1,094,778	1,544,082	1,094,778	1,544,082
Released to the statement of profit or loss	(448,077)	(449,304)	(448,077)	(449,304)
	<u>646,701</u>	<u>1,094,778</u>	<u>646,701</u>	<u>1,094,778</u>
Current	444,000	444,000	444,000	444,000
Non-current	<u>202,701</u>	<u>650,778</u>	<u>202,701</u>	<u>650,778</u>
	<u>646,701</u>	<u>1,094,778</u>	<u>646,701</u>	<u>1,094,778</u>

The Company obtained a loan from the Bank of Industry (BOI) to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate of 10% on the loan was below the market loan rate between 13% to 15.5% at the time the loan was obtained. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date. The deferred income was subsequently amortized on a straight-line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N1.09bn and N448mn was credited to other operating income in the statement of profit or loss for the year ended 31 December 2025.

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**Notes to the Consolidated and Separate Financial Statements**
**35. Contract liabilities**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Short-term advances for hospitality services (Note 35.1)	925,069	204,889	925,069	204,889
Key money from Hilton (Note 35.2)	1,833,900	1,986,725	1,833,900	1,986,725
	<b>2,758,969</b>	<b>2,191,614</b>	<b>2,758,969</b>	<b>2,191,614</b>
Current	1,077,889	357,709	1,077,889	357,709
Non current	1,681,080	1,833,905	1,681,080	1,833,905
	<b>2,758,969</b>	<b>2,191,614</b>	<b>2,758,969</b>	<b>2,191,614</b>

**35.1 Short-term advances for hospitality services**

This relates to consideration paid by customers before the Hotel transfers goods or services. Contract liabilities are recognised as revenue when the Hotel performs its obligations under the contract. The entire advances would be earned as revenue in 2026.

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Reconciliation of Short-term advances At 1 January</b>	204,889	143,555	204,889	143,555
Deferred during the year	925,069	204,889	925,069	204,889
Recognised as revenue during the year	(204,889)	(143,555)	(204,889)	(143,555)
	<b>925,069</b>	<b>204,889</b>	<b>925,069</b>	<b>204,889</b>
Current	925,069	204,889	925,069	204,889

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### Notes to the Consolidated and Separate Financial Statements

#### 35.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed \$ 10 million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest and is not repayable by the Company unless the contract is terminated before the end of the 20-year contract year, whereby the unamortised balance is repayable. The Key money from Hilton International LLC will be notionally amortised over the contract years on a straight-line basis to other income. The outstanding balance of N1.83bn relates to the unamortised portion of the key money as at 31 December 2025.

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
<b>Reconciliation of Key money from Hilton</b>				
<b>At 1 January</b>	1,986,725	2,139,550	1,986,725	2,139,550
Recognised as other operating income during the year	(152,825)	(152,825)	(152,825)	(152,825)
<b>At 31 December</b>	<b>1,833,900</b>	<b>1,986,725</b>	<b>1,833,900</b>	<b>1,986,725</b>

#### 36 Deposit for shares

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
	2,410,000	2,410,000	-	-

Deposit for shares relates to Heirs Holdings Ltd.'s contribution to the development of Transcorp Hotels Ikoyi Limited (THIL). Based on the Memorandum of Understanding between Transcorp Hotels Plc and Heirs Holdings Ltd, THIL will issue shares to Heirs Holdings Ltd on completion of the construction and start of operation of the hotel.

#### 37. Defined Benefit Plan - Other employee benefit

Transcorp Hotels Plc (the parent company) provides a long-service award benefit to employees who is in active employment for a determined lengths of service. The benefit is defined for different length of service in 8 bands of 5 years from 5 to 40 years with benefits escalating with the length of service. The plan is funded from the company's operations for each year that there are qualifying staff members.

The benefit typically exposes the Company to actuarial risks such as foreign exchange risk, interest rate risk, longevity risk and attrition risk. The risk relating to benefits to be paid to the qualifying staff members is borne by the company and factored into the computation of the defined benefit obligation.

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 December 2025 by Mr. Shefiu Ganiu Dare, FRC/2017/PRO/NAS/004/00000017548, Fellow-Society of Actuaries, America of GIANT CONSULTANTS LIMITED, FRC/2023/COY/335546.

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**

**37. Defined Benefit Plan - Other employee benefit (cont'd)**

The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Key assumptions used:

**Financial Assumptions**

- **Discount rate**

In line with IAS 19, future benefits cash flow should be projected for each employee and discounted to their net present value as at the current balance sheet date, using an interest assumption (called the discount rate under IAS 19).

IAS 19 requires an entity to determine the rate to be used for discounting long-term employees' benefits with reference to market yields on high-quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead.

There is no deep market in corporate bonds in Nigeria, and we have determined the rate used for the current valuation by reference to the yield available on Nigerian Federal Government Bonds.

As at 31st December 2025, the discount rate assumption was maintained at its old level of 17.5% per annum in line with current redemption yield on long term Federal Government Bond.

- **Benefit escalation rate**

Monetary Benefit Escalation Rate assumption changed slightly from its previous rate of 8.5% to 9.0% to reflect the current situation (i.e. 50% of long-term average inflation).

Demographic Assumptions

- **Mortality in Service**

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample Age	Number of deaths in a year out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

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**Notes to the Consolidated and Separate Financial Statements**
**37. Defined Benefit Plan - Other employee benefit (cont'd)**
**- Withdrawal from Service**

We have assumed a withdrawal rate for the current valuation at a rate starting from 5% for all ages up to age 30 years and decreasing to 1% at age 50 years then nil thereafter.

<b>Age Band (years)</b>	<b>Withdrawal Rate (%)</b>
Up to 30	5
31 -35	4
36 - 40	3
41 -50	1
51 and over	Nil

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	<b>Group and Company</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<i>N'000</i>	<i>N'000</i>
Current Service cost (Note 14)	19,764	10,190
Interest expense (Note 15)	79,991	35,746
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>99,755</b>	<b>45,936</b>

Of the expense (service cost) for the year, N9.5mn (2024: N4.9mn) has been included in profit or loss as cost of sales and N10.3mn (2024: N5.3mn) has been included in administrative expenses. The net interest expense has been included within finance costs (see Note 15.1). The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

	<b>Group and Company</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<i>N'000</i>	<i>N'000</i>
Actuarial (gains) and losses arising from changes in Discount Rate Assumption	-	(64,323)
Actuarial (gains)/losses arising from changes in Exchange Rate Assumption	(34,935)	191,220
Actuarial losses – Change in Benefit Escalation Assumption	2,653	-
Actuarial (gains)/losses arising from experience adjustments	(47,776)	68,615
Cost of Benefit Improvement	-	26,620
<b>Remeasurement of the net defined benefit liability</b>	<b>(80,058)</b>	<b>222,132</b>
Tax charge/(credit)	26,419	(73,303)
<b>Remeasurement of the net defined benefit liability after tax</b>	<b>(53,639)</b>	<b>148,829</b>

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**Notes to the Consolidated and Separate Financial Statements**
**37. Defined Benefit Plan - Other employee benefit (cont'd)**

Movements in the other reserves in the year were as follows:

	Group and Company	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Opening defined benefit obligation	186,679	37,850
Remeasurement of the net defined benefit liability after tax	(53,639)	148,829
<b>Closing other reserves</b>	<b>133,040</b>	<b>186,679</b>

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement benefit plans is as follows:

	Group and Company	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Present value of defined benefit obligations	443,371	466,751
Fair value of plan assets	-	-
Funded status	443,371	466,751
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>443,371</b>	<b>466,751</b>
Current	84,159	45,936
Non-current	359,212	420,815
	<b>443,371</b>	<b>466,751</b>

Movements in the present value of defined benefit obligations in the year were as follows:

	Group and Company	
	31 Dec 2025	31 Dec 2024
	N'000	N'000
Opening defined benefit obligation	466,751	244,067
Current Service cost	19,764	10,190
Interest cost	79,991	35,746
Actuarial losses	(80,058)	222,132
Benefits paid	(43,077)	(45,384)
<b>Closing defined benefit obligation</b>	<b>443,371</b>	<b>466,751</b>

Significant actuarial assumptions for the determination of the defined benefit liability are discount rate, expected escalation rate of the defined benefit, length of stay and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

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**Notes to the Consolidated and Separate Financial Statements**
**37. Defined Benefit Plan - Other employee benefit (cont'd)**

	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	464,701,885	443,371,154	423,789,390
Effect of 1% increase or decrease in Escalation rate	438,173,572	443,371,154	449,028,164
Effect of 10% increase or decrease in Exchange rate	398,859,539	443,371,154	491,678,159
Effect of 10% increase or decrease in Withdrawal rate	446,486,397	443,371,154	440,308,939
Effect of 10% increase or decrease in Mortality rate	443,889,521	443,371,154	442,853,681

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

**38 Trade and other payables**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
Trade payables	5,862,342	3,924,036	5,861,880	3,914,176
Related party (Note 40)	5,724,345	8,640,737	5,707,542	8,623,934
Other payables (Note 38.1)	12,861,363	9,934,378	12,855,130	9,927,027
	<b>24,448,050</b>	<b>22,499,151</b>	<b>24,424,552</b>	<b>22,465,137</b>

Terms and conditions of the above financial liabilities

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

**38.1 Other payables**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	N'000	N'000	N'000	N'000
VAT payable	1,200,331	661,232	1,200,570	661,341
Accrued liabilities	10,548,336	8,210,660	10,542,183	8,203,604
Unclaimed dividend	453,569	328,361	453,569	328,361
Security deposits from guests	161,578	167,401	161,578	167,401
WHT Payable	497,549	566,724	497,230	566,320
	<b>12,861,363</b>	<b>9,934,378</b>	<b>12,855,130</b>	<b>9,927,027</b>

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**

39. Cash generated from operations					
	Note	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Profit before tax		32,817,634	22,612,634	33,802,653	22,581,681
<b>Adjustments to reconcile profit before tax to net cash flows:</b>					
Depreciation of property, plant and equipment	19.	3,371,542	2,589,053	3,369,223	2,587,441
Amortisation of intangible assets	21.	47,425	42,403	37,496	32,939
Write off of property, plant and equipment	19	85,655	-	85,655	-
Impairment allowance on financial assets	12.	(16,591)	69,174	26,802	326,118
(Gain) in fair value of investment properties	11.	-	-	(973,000)	(102,451)
Unrealised (gain) on foreign exchange	11.	263,650	(3,882,773)	263,650	(3,882,773)
Gain on disposal of property, plant and equipment	11.	(42,574)	(29,263)	(42,574)	(28,538)
Key money	35.2	(152,825)	(152,825)	(152,825)	(152,825)
Day 1 Gain Income	34	(448,077)	(449,304)	(448,077)	(449,304)
Finance income	15.2	(1,315,129)	(594,546)	(1,315,129)	(594,546)
Finance cost	15.1	3,739,195	4,011,065	3,739,195	4,011,065
<b>Working capital adjustments:</b>					
Increase in trade and other receivables		(3,143,290)	(604,678)	(3,186,639)	(722,975)
Decrease/(Increase) in prepayments		883,968	(783,433)	883,968	(783,433)
Decrease/(Increase) in inventories		161,012	(144,787)	161,012	(144,787)
Increase in contract liabilities		720,180	61,334	720,180	61,334
Decrease/(Increase) in long term receivables		225,000	(1,856,250)	(812,698)	(2,122,873)
Decrease in defined benefit liability		(23,313)	(35,194)	(23,313)	(35,194)
Increase in trade and other payables		21,203	596,537	31,717	588,194
		<b>37,194,665</b>	<b>21,449,147</b>	<b>36,167,296</b>	<b>21,169,073</b>

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**
**40 Related party disclosures**
**Relationships**

 Holding company  
 Subsidiaries  
 Fellow Subsidiaries:

**Entities**

 Transnational Corporation Plc  
 Refer to note 8  
 Transcorp Power Plc  
 Transafam Power Limited

**Related party balances**

	Sales to related parties	Interest payable/ (receivable)	Amounts due from related parties	Amounts due to related parties
	N'000	N'000	N'000	N'000
<b>Group - 2025</b>				
Transnational Corporation Plc	173,140	(124,472)	859,472	149,731
Transafam Power Limited	42,709	(579,248)	3,160,645	-
Transcorp Power Plc	196,220	1,927,697	-	5,574,614
	<b>412,069</b>	<b>1,223,977</b>	<b>4,020,117</b>	<b>5,724,345</b>
Provision for impairment on related parties			(4,898)	
<b>Net balance</b>			<b>4,015,219</b>	
<b>Group - 2024</b>				
Transnational Corporation Plc	58,610	-	-	168,120
Transafam Power Limited	16,554	(79,449)	2,799,817	-
Transcorp Power Plc	61,798	1,005,679	-	8,472,617
	<b>136,962</b>	<b>926,230</b>	<b>2,799,817</b>	<b>8,640,737</b>
Provision for impairment on related parties			(41,107)	
<b>Net balance</b>			<b>2,758,710</b>	

**TRANSCORP HOTELS PLC**

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**Notes to the Consolidated and Separate Financial Statements**
**40 Related party disclosures (cont'd)**

<b>Company - 2025</b>				
	<b>Sales to related parties</b>	<b>Interest payable/ (receivable)</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Transnational Corporation Plc	173,140	(124,472)	859,472	132,928
Transafam Power Limited	42,709	(579,248)	3,160,645	-
Transcorp Power Plc	196,220	1,927,697	-	5,574,614
Aura by Transcorp Hotels Limited	-	-	523,329	-
	<b>412,069</b>	<b>1,223,977</b>	<b>4,543,446</b>	<b>5,707,542</b>
Provision for impairment on related parties			(528,226)	
<b>Net balance</b>			<b>4,015,220</b>	
<b>Company - 2024</b>				
Transnational Corporation Plc	58,610	-	-	151,317
Transafam Power Limited	16,554	(79,449)	2,799,817	-
Transcorp Power Plc	61,798	1,005,679	-	8,472,617
Aura by Transcorp Hotels Limited	119,283	-	512,482	-
Transcorp Hotels Calabar Limited	-	(27,789)	-	-
	<b>256,245</b>	<b>898,441</b>	<b>3,312,299</b>	<b>8,623,934</b>
Provision for impairment on related parties			(553,589)	
<b>Net balance</b>			<b>2,758,710</b>	

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. No guarantees were provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Company recognised N528.2mn as expected credit losses relating to amounts owed by related parties (2024: N553.6mn).

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Notes to the Consolidated and Separate Financial Statements**
**40 Related party disclosures (cont'd)**
**Related party borrowings:**

Included in the amount due to Transcorp Power Plc is an N5.6bn (2024:N8.5bn) loan at an average interest rate of 22%.

Likewise, included in the amount due from Transnational Corporation Plc and Transafam Power Limited is a loan balance of N859mn (2024: Nil) and N3.2bn (2024:N2.8bn) respectively at an average interest rate of 22%.

The Company updated the terms of its Technical and Management Services Agreement with Transnational Corporation Plc, revising the annual management fee from the higher of ₦350 million or 5% of profit before tax to 5% of revenue, effective January 1, 2025, to bring it in alignment with current business realities.

**40.1 Transactions with subsidiaries**

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
At 1 January	-	-	9,143,284	8,858,273
<b>Additions</b>				
Transcorp Hotels Port Harcourt Limited*	-	-	11,509	6,127
Transcorp Hotels Ikoyi Limited*	-	-	1,058,736	278,884
Gross carrying amount (Note 24)	-	-	10,213,529	9,143,284
Impairment	-	-	(118,379)	(85,833)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>10,095,150</b>	<b>9,057,451</b>

\*Long term receivables from subsidiaries relate to accumulation of capital investment and operating expense made on behalf of Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited. The classification as long term is based on the expectation that the entities will only be able to repay when they become operational, which will not be earlier than 3-5 years time.

## TRANSCORP HOTELS PLC

Consolidated and Separate Financial Statements

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### Notes to the Consolidated and Separate Financial Statements

#### 40.2 Compensation of key management personnel

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for services is shown below:

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
<b>Emoluments of directors</b>				
Executive Compensation	167,690	165,655	167,690	165,655
Defined contributions	2,870	2,842	2,870	2,842
Fees and allowances for non-executives	340,000	114,119	340,000	114,119
<b>Total compensation paid to key management personnel</b>	<b>510,560</b>	<b>282,616</b>	<b>510,560</b>	<b>282,616</b>
<b>Amount paid to the highest paid director (excluding pension contributions)</b>	<b>121,802</b>	<b>90,143</b>	<b>121,802</b>	<b>90,143</b>
<b>Chairman's emoluments</b>				
Fees	75,000	17,500	75,000	17,500

The number of directors of the Group (including the highest paid director) whose remuneration, excluding pension contributions, in respect of services to the Group is within the following range:

	2025	2024	2025	2024
	Number	Number	Number	Number
Less than N10,000,000	-	-	-	-
Over N10,000,000	6	9	6	9

#### 41. Commitments and contingencies

##### Commitments

The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements. As at 31 December 2025, the Group had no capital commitment on the Transcorp Centre construction projects (2024: N1.5bn).

##### Contingent Liability

The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that the cases/claims are remote and for this reason, no loss or cost is anticipated. Accordingly, no provision for any liability nor any contingent liability disclosure has been made in these financial statements.

#### 42. Subsequent Events

There are no significant subsequent events which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2025 that have not been adequately provided for or disclosed in these financial statements.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements  
For the year ended 31 December 2025

**OTHER NATIONAL DISCLOSURES**

**TRANSCORP HOTELS PLC**

 Consolidated and Separate Financial Statements  
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**Consolidated and Separate Value Added Statement  
 For The Year Ended 31 December 2025**

	<b>2025</b>	%	<b>2024</b>	%	<b>2025</b>	%	<b>2024</b>	%
	<u>N'000</u>		<u>N'000</u>		<u>N'000</u>		<u>N'000</u>	
Revenue	97,038,178		70,134,425		97,036,605		70,122,852	
Other income	1,818,820		6,007,775		2,791,808		6,096,829	
	98,856,998		76,142,200		99,828,413		76,219,681	
<b>Bought in services</b>								
- Foreign	(24,101,792)		(21,993,600)		(24,102,375)		(22,091,131)	
- Local	(16,067,862)		(14,662,400)		(16,068,250)		(14,727,421)	
<b>Total Value added</b>	<u>58,687,344</u>		<u>39,486,200</u>		<u>59,657,788</u>		<u>39,401,129</u>	
<b>Applied as follows:</b>								
<b>Employees</b>								
Salaries and other labour related benefits	10,694,433	18	9,355,621	24	10,692,106	18	9,312,579	24
<b>Provider of funds</b>								
Dividend	7,579,471	13	1,024,253	3	7,579,471	13	1,024,253	3
Finance costs	3,739,195	6	4,011,065	10	3,739,195	6	4,011,065	10
<b>Government</b>								
Taxation	5,175,941	9	2,970,567	8	5,175,941	9	2,970,567	7
<b>The Future</b>								
Deferred tax	5,789,571	10	4,746,206	12	5,789,570	10	4,746,206	12
Depreciation and amortisation	3,418,968	6	2,631,456	7	3,406,720	6	2,620,380	7
Retained profit	22,289,765	38	14,747,032	36	23,274,785	38	14,716,079	37
<b>Total Value added</b>	<u>58,687,344</u>	<u>100</u>	<u>39,486,200</u>	<u>100</u>	<u>59,657,788</u>	<u>100</u>	<u>39,401,129</u>	<u>100</u>

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Consolidated and Separate Five-Year Financial Summary**

As at 31 December 2025

<b>GROUP</b>					
<b>STATEMENT OF FINANCIAL POSITION</b>					
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Non-current assets	130,416,014	122,107,540	108,253,996	110,405,032	106,245,806
Current assets	29,489,902	18,588,672	17,840,920	10,082,350	9,643,920
<b>Total assets</b>	<b>159,905,916</b>	<b>140,696,212</b>	<b>126,094,916</b>	<b>120,487,382</b>	<b>115,889,726</b>
<b>Equity</b>					
Issued capital	5,121,264	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	12,548,859	12,548,859	12,548,859	12,548,859	12,548,859
Other reserve	250,964	(186,679)	(37,850)	-	-
Retained earnings	77,525,168	63,234,028	49,314,490	45,207,011	44,577,786
<b>Equity attributable to equity holders of the parent</b>	<b>95,446,255</b>	<b>80,717,472</b>	<b>66,946,763</b>	<b>62,877,134</b>	<b>62,247,909</b>
Non-controlling interests	(216,812)	(198,323)	(150,393)	(87,520)	(27,684)
<b>Total equity</b>	<b>95,229,443</b>	<b>80,519,149</b>	<b>66,796,370</b>	<b>62,789,614</b>	<b>62,220,225</b>
<b>Liabilities</b>					
Non-current liabilities	27,899,577	26,422,319	26,987,372	28,392,256	28,039,657
Current liabilities	36,776,896	33,754,744	32,311,174	29,305,512	25,629,844
<b>Total liabilities</b>	<b>64,676,473</b>	<b>60,177,063</b>	<b>59,298,546</b>	<b>57,697,768</b>	<b>53,669,501</b>
<b>Total equity and liabilities</b>	<b>159,905,916</b>	<b>140,696,212</b>	<b>126,094,916</b>	<b>120,487,382</b>	<b>115,889,726</b>
<b>STATEMENT OF PROFIT OR LOSS</b>					
<b>Revenue</b>	<b>97,038,178</b>	<b>70,134,425</b>	<b>41,455,877</b>	<b>30,439,219</b>	<b>21,417,676</b>
Profit before taxation	32,817,634	22,612,634	9,482,053	4,634,023	1,662,611
Taxation	(10,965,512)	(7,716,773)	(3,228,087)	(1,771,540)	(545,295)
<b>Profit for the year from continuing operations</b>	<b>21,852,122</b>	<b>14,895,861</b>	<b>6,253,966</b>	<b>2,862,483</b>	<b>1,117,316</b>
Loss on discontinued operations	-	-	(160,854)	(244,588)	
<b>Profit for the year</b>	<b>21,852,122</b>	<b>14,895,861</b>	<b>6,093,112</b>	<b>2,617,895</b>	
Earnings per share (Kobo) - Basic	214	146	60	26	11
Net Asset per share (Kobo) - Basic	9	8	7	6	6
Dividend per share (Kobo)	130	74	20	20	13

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

**TRANSCORP HOTELS PLC**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

**Consolidated and Separate Five-Year Financial Summary**

As at 31 December 2025

COMPANY					
STATEMENT OF FINANCIAL POSITION					
	2025	2024	2023	2022	2021
Assets	N'000	N'000	N'000	N'000	N'000
Non-current assets	128,747,775	119,454,054	107,454,869	103,289,743	105,560,501
Current assets	29,439,553	18,528,036	10,461,815	9,666,801	4,995,548
<b>Total assets</b>	<b>158,187,328</b>	<b>137,982,090</b>	<b>117,916,684</b>	<b>112,956,544</b>	<b>110,556,049</b>
Equity					
Issued capital	5,121,264	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	12,548,859	12,548,859	12,548,859	12,548,859	12,548,859
Other reserves	250,964	(186,679)	-	-	-
Retained earnings	78,023,306	62,765,636	45,378,512	44,347,486	43,773,111
<b>Total equity</b>	<b>95,944,393</b>	<b>80,249,080</b>	<b>63,048,635</b>	<b>62,017,609</b>	<b>61,443,234</b>
Liabilities					
Non-current liabilities	25,489,577	24,012,319	25,982,256	25,629,657	21,116,306
Current liabilities	36,753,358	33,720,691	28,885,793	25,309,278	27,996,509
<b>Total liabilities</b>	<b>62,242,935</b>	<b>57,733,010</b>	<b>54,868,049</b>	<b>50,938,935</b>	<b>49,112,815</b>
<b>Total equity and liabilities</b>	<b>158,187,328</b>	<b>137,982,090</b>	<b>117,916,684</b>	<b>112,956,544</b>	<b>110,556,049</b>
STATEMENT OF PROFIT OR LOSS					
Revenue	97,036,605	70,122,852	30,432,720	20,558,761	9,647,364
Profit before taxation	33,802,653	22,581,681	4,851,033	1,111,722	(8,743,483)
Taxation	(10,965,512)	(7,716,773)	(1,771,501)	(537,347)	2,612,024
<b>Profit after taxation</b>	<b>22,837,141</b>	<b>14,864,908</b>	<b>3,079,532</b>	<b>574,375</b>	<b>(6,131,459)</b>
Earnings per share (Kobo) - Basic	223	145	55	30	6
Net Asset per share (Kobo)- Basic	9	8	6	6	6
Dividend per share (Kobo)	130	74	20	13	7

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.